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NEWS SUMMARY

Space shuttle lands safely

The U.S. space shuttle Columbia landed safely at Edwards Air Force Base, California, completing a historic maiden voyage by the world's first re-usable spacecraft.

Astronaut John Young piloted the 75-ton craft down manually, like a giant glider. It came to a halt on a dry lake bed after a 54-hour flight, circling the earth 36 times.

The landing took place just nine seconds behind schedule, said Mission Control. Columbia passed safely through the searing heat of the earth's atmosphere on its approach run.

"What a way to come to California," said Robert Crippen, Young's partner.

"Welcome home, Columbia—beautiful, beautiful," said Mission Control.

The shuttle was greeted by a jubilant flag-waving crowd of 200,000. Millions watched the landing on television.

Special crews and equipment rushed to the craft. Men wearing heavy protective clothing used sensitive sniffer devices to see if there were toxic fumes around the engines.

The two astronauts had to remain on board for 45 minutes to carry out routine checks. Back Page.

GENERAL

Levesque gets back in Quebec

Rene Levesque, Premier of Parti Quebecois Government of the French-speaking Canadian province of Quebec, was returned to power with 80 seats in the National Assembly against 42 for the Liberals.

Mr. Levesque's party took 49 per cent of the popular vote after he had undertaken not to launch another referendum on sovereignty for Quebec during the lifetime of the assembly.

Last year votes rejected that idea. Page 5; Editorial Comment, Page 16

Concorde study

The Commons Industry and Trade Committee urged a review by independent consultants of the continuing costs of Concorde. Back Page; News analysis, Page 7

Banks action

The Banking, Insurance and Finance Union was set to step up its action against the English clearers over pay. Back Page; Ballot fund rejected, Page 11

Brixton plea

Lambeth council leaders urged Environment Secretary Michael Heseltine to provide extra funds to tackle Brixton's social problems. Page 8

Belize hope

Belize is expected to meet the September deadline for independence from Britain after a constitutional conference ended in London.

Basque killings

Suspected separatist guerrillas shot dead two retired military officers and a factory director in Spain's Basque country. War with Madrid, Page 3

Tornado deaths

At least 61 died and 4,000 were injured in a tornado which shattered a large area 125 miles from Dacca, Bangladesh, on Sunday night.

Seven executed

Seven people were executed in Tehran for smuggling and distributing heroin

Baptists jailed

Eight Soviet Baptists were sentenced to between three and four years in prison for printing Bibles.

Mother reunited

Mrs. Anwar Ditta was reunited with her three children at Manchester Airport, ending a six-year parting and a wrangle with immigration authorities which was resolved after a TV documentary.

Hair raising

Three barristers, a clerk and a judge removed their wigs at the High Court in London after the judge ruled it was too hot to wear them. Weather, Back Page

Briefly . . .

Torrential rain flooded parts of Sussex, closing roads.

Police sniffer-dogs found drugs worth £20,000 on a ship at Belfast docks.

BUSINESS

Gold up $14; 1.3c rise for pound

● GOLD rose $14 to $485.5, helped by short covering and uncertainty about U.S. interest rate trends. Page 26

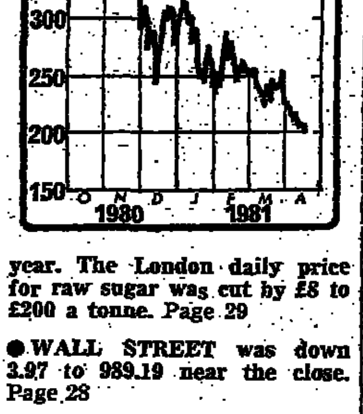
● STERLING was up 1.30 cents to $2.1775. It improved to DM 4.7125 (DM 4.6975) and FFr 11.1225 (FFr 11.07). Its trade-weighted index rose to 99.3 (98.9). Page 26

● DOLLAR peaked at DM 2.1720 before closing at DM 2.1630 (DM 2.1690). It was also lower at SwFr 1.9710 (SwFr 1.9795) and Y 215.10 (Y 216.25). Its trade-weighted index fell to 102.1 (102.5). Page 26

● EQUITIES were steady on evidence of UK industrial output improvement. The FT 30-share index put on 2.2 to 548.8. Page 30

● GILTS regained composure. The Government Securities index added 0.15 to 69.25. Page 30

● SUGAR prices slumped to their lowest level for over a year. The London daily price for raw sugar was cut by £8 to £200 a tonne. Page 29



● WALL STREET was down 3.97 to 989.19 near the close. Page 28

● WESTERN UNION, the U.S. telecommunications company, filed an anti-trust suit against ITT, RAC and Xerox subsidiaries. Back Page

● RENAULT acquired effective control of France's commercial vehicle industry through a deal combining its truck-producing subsidiary RVI with Dodge Trucks, owned by Peugeot. Back Page.

● LAING PROPERTIES will seek shareholders' approval for the enfranchisement of the non-voting ordinary A shares and a £20m rights issue of convertible loan stock. Page 18; Lex, Back Page

● NORTHERN ENGINEERING Industries reported 1980 pre-tax profits up 44 per cent to £26.06m. Page 18; Lex, Back Page

● RTZ, UK-based international mining and industrial group, reported net earnings for 1980 up to £155.4m (£149.8m). A good first half was followed by a poorer second. Page 22

● SMITHS INDUSTRIES reported pre-tax profits ahead from £9.26m to £9.97m for the 26 weeks to end January. Page 18

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES:		
Treasury 12pc 1987	£93½	+ ⅜
Assoc. Biscuit	80	+ 5
Berwick Tempo	75	+ 6
Bramall (C. D.)	106	+ 14
Callender (G. M.)	62	+ 8
Hopson (F.)	21½	+ 4
Croda Int.	45	+ 4
Flight Refuelling	347	+ 12
GKN	166	+ 6
Haden Carrier	305	+ 7
Hawker Siddeley	340	+ 8
Mercury Secs.	242	+ 14
Metal Box	302	+ 6
News Int.	110	+ 12
Office and Elect.	380	+ 10
Reardon Smith	178	+ 11
Rothmans Int.	82	+ 4½
Royal Bk. Scotland	168	+ 6
Burmah	172	+ 5
Lunuva (Ceylon)	440	+ 35
East Drie.	£12¾	+ 1¼
Poseidon	246	+ 8
Tanks. Cons.	365	+ 7
FALLS:		
Aust. Agric.	145	− 15
Bowater	278	− 4
Commercial Union	162	− 4
Laing Props. "A"	196	− 13
Martonair	283	− 12
Central Pacific	120	− 10
Greenbushes Tin	825	− 50
Hemerdon	87	− 5
RTZ	460	− 5

Most civil servants strike in protest at Navy intervention

BY PHILIP BASSETT, LABOUR STAFF

AT LEAST HALF of Britain's 530,000 civil servants came out on strike yesterday. Their action was in protest against the Government's use of the Navy to resupply the Polaris submarine HMS Resolution.

● At airports, Customs, immigration and some air traffic control staff created long delays.

● Almost all Department of Health and Social Security offices around the country were closed for part of the day.

● About half the country's local employment offices were hit.

● Coastguard stations were hit by the strike for the first time ever, as was the Windscale nuclear plant in Cumbria.

● In Whitehall, an estimated 20 per cent of Ministry of Defence employees had taken action. Naval dockyards round the country were also badly hit.

The Council of Civil Service Unions put no figures on the numbers involved in the half-day strikes. But it said at least as many had taken part as in the March 9 one-day stoppafe which began the present strike campaign over pay. Unions at that time claimed 90 per cent of staff, or about 450,000, had taken part.

The Government estimated too that the numbers were about the same as last month, although the Civil Service Department put the figure at about 50 per cent of the staff, or about 250,000.

Immigration officials at Heathrow, where there were 150 yd queues, returned to work when they were told that the passenger congestion was causing a fire risk. Staff at Manchester Airport started a work-to-rule which will include action over the Easter holiday.

The Prime Minister was unable to fly to India from Heathrow as planned in an RAF VC 10 because of the action. Her flights had to be diverted to RAF Brize Norton in Oxfordshire.

According to estimates by Government departments many were badly hit. Some 420 out of 530 local Department of Health and Social Security offices around the country suffered stoppages, as did about half the local employment offices. Unions agreed that this and action at benefit computers could hold up benefit payments due before Easter.

There was a "high" response in the Ministry of Defence, which is not normally noted for its militancy. The MoD said that its dockyards had been badly hit. About 80 per cent of staff were out at its Rosyth yard, and many industrial staff had to be sent home.

The department put the numbers out in the Royal Ordnance factories at well in excess of 90 per cent, and said that even in its London headquarters about 20 per cent of staff had taken action.

About 60 per cent of Customs and Excise staff took part, and about half the staff in the Land Registry.

Unions said many staff had taken action well before the half-day strikes were due to start. These included MoD staff in Bath, DHSS staff in Belfast and Birmingham, Department of National Savings staff in Glasgow, DHSS staff in Hull, staff at the Drivers' Vehicle Licensing Centre in Swansea and benefit staff in Bristol.

Mr. Bill Kendall, secretary-general of the Council of Civil Service Unions, said that the "magnificent response" proved that civil servants were united to get a fair deal. In the sixth week of the action, support was stronger than ever.

Lord Soames, Lord President of the Council, who will make a statement on the dispute so far in Parliament today, said that the Government was sticking to its 7 per cent pay offer despite the walk-outs.

He said on BBC Radio that it would be "unreasonable" to move from the offer, and under the Government's cash limits

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Poland's farmers win step towards recognition

BY CHRISTOPHER BOBINSKI IN WARSAW

POLAND'S SOLIDARITY union movement won an important victory yesterday in its struggle for official recognition of the right of private farmers to form a free trade union, outside the control of the Communist Party.

A top-level Parliamentary committee eased the strain between Government and workers with a recommendation that a draft law on trade unions should include a clause giving formal recognition to the 1m membership of Rural Solidarity, the farmers' union.

External pressures also seemed to ease yesterday. Reports from the U.S. said that Soviet and East German troops posted along the Polish border had returned to their barracks after prolonged exercises in and around Poland.

Pressure from farmers have led to the most serious confrontation since last summer. The alleged use of force by police against protesting peasants and union officials in Bydgozscz last month resulted in Solidarity putting all its 8m members on alert for a national strike.

As pressure for action against Solidarity mounted from the Soviet Union, the union and Government negotiated a truce hours before the stoppage was due to start.

The Parliamentary committee, headed by Professor Jan Szczepanski, a member of the Council of State, Poland's collective presidency, was established last month to oversee the implementation of agreements signed between workers and the Government last summer.

Its recommendation was made after consultation with the Government committee of trade unions headed by Mr. Mieczyslaw Rakowski, the Deputy Premier, and it is seen here as a decisive step in resolving the problem. Government officialcs said yesterday that both sides "were almost home on this issue.' Until this week the authorities have refused to recognise the farmers' union, arguing that there was no provision in law for such an organisation.

The recommendation also opens the way to other self-employed groups, like taxi drivers and craftsmen, to organise.

The Government concession removes an important demand from the list Solidarity has produced, raises hopes that the political climate in the countryside will improve, and that food production will grow.

Rural Solidarity, meanwhile, soothed by the authorities' change of heart, said that it will call on the Government to fix maximum prices for food sold on the free market, where growers sell much of their produce.

Since meat rationing was introduced on April 1—the average monthly allowance is about 7 lb of meat a person—prices of free market beef and pork in subburban markets have risen to about three times the

Continued on Back Page

Savoy group loss £1.79m in year

BY REG VAUGHAN

THE SAVOY Hotel group, which is fighting a £58m take-over bid from Trusthouse Forte, yesterday disclosed a pre-tax loss of £1.79m for the year 1980. This result—which is more than double the first half year's deficit of £837,000—compares with a profit of £520,000 in 1979.

The setback is due to a big drop in demand for hotel accommodation, largely by overseas visitors. This is a source from which the company normally derives the greater part of its profit.

The fall in demand was most severe at the Savoy, the largest of the company's hotels, where most of the losses occurred. Steps are being taken to bring this part of the group back into profit. The Berkeley, The Connaught and Claridge's all traded profitably, the company said.

The company is holding year's dividend at 11.49 per cent net. Mr. Giles Shepard, the Savoy managing director, said that this decision "shows our hope and trust in the future."

On the London Stock Market yesterday the Savoy "A" shares gained 2p to 198p.

Total receipts by the company in 1980 showed only a marginal improvement of 3.7 per cent from £28.65m to £29.71m while trading profits dropped by almost a third from £5.2m to £3.67m. The cost of maintenance has risen from £3.25m to £3.6m while interest charges went up from £1.03m to £1.2m.

In pursuit of its take-over, Trusthouse Forte, the hotel and catering empire headed by Sir Charles Forte, has applied to the High Court for an order to call separate meetings of the "A" and "B" shareholders of Savoy.

After four days of legal argument in private Mr. Justice Nourse is today expected to give a judgment on the application in open court.

The court is expected to deliberate further on the matter before a full judgment can be given on THF's application. If THF is allowed to call the meetings it will seek to gain approval for its bid from 75 per cent of the "A" shares. If this is achieved the decision becomes binding on all "A" shares (together representing 51.5 per cent of the total votes of the company) and the bid scheme can be put to the High Court for approval).

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Report calls for free market in communications

BY GUY DE JONQUIERES

MEASURES to allow the establishment of private communications networks and services which will compete with British Telecom are expected to be recommended in a report to be released by the Government today.

The report by Professor Michael Beesley of the London Business School says this will encourage new types of facility to be developed at a reasonable cost to users.

It calls for the immediate removal of Government restrictions on British Telecom's financing so it can step up its investment programme.

Sir Keith Joseph, the Industry Secretary, who commissioned the report last summer, is thought likely to allow several months for public consultation.

Bank working party on telecommunications, Page 8
Western Union files suit, Back Page
Bell Labs dream factory, Page 16

His advisors are believed to be urging him to implement at least some of the report's principal recommendations before the end of the year.

Its publication seems certain to add to the controversy aroused by Government plans to relax British Telecom's monopoly over telephone apparatus later this year.

British Telecom senior executives, including Mr. Peter Benton, managing director, are concerned that if private competitors have access to its network, they will siphon off profits from its most lucrative operations.

They are understood to have warned privately that hasty liberalisation could lead to sharply increased charges for local telephone services, particularly in rural areas, which are heavily subsidised from long-distance service profits.

If Sir Keith accepts the reports recommendations, the executives are expected to urge that he implement them over several years. Their views are broadly shared by the Post Office Engineering Union.

The report recommends opening British Telecom's communications network fully to the private sector. It would be free to offer any type of service and would be charged a flat annual fee, to be set by British Telecom.

Professor Beesley suggests that free competition be extended to British Telecom's international networks, with payments on a royalty basis.

Whitehall recognises that this would require delicate international negotiation and could arouse opposition from foreign telecommunications administrations.

The report recommends abolition of the legal restrictions preventing private companies from setting up commercial communications networks in competion with British Telecom.

Several companies which have expressed interest in establishing such networks include a loose consortium between Cable and Wireless, British Petroleum and Barclays Bank.

ARCO ends oil contracts

BY PAUL BETTS IN NEW YORK

ATLANTIC RICHFIELD (ARCO), the seventh largest U.S. oil group, is to end early next month two Nigerian oil supply contracts involving a total of 60,000 barrels of high quality "sweet" crude a day.

The decision by a leading oil group to drop a secure supply of crude oil arises from a dramatic change in the international oil market as a result of the current oil glut.

Oil industry analysts in New York said yesterday that such a move would have been unheard of barely a year ago and would probably put even further pressure on some members of the Organisation of Petroleum Exporting Countries to lower their prices.

Although the two ARCO contracts account for only 3 per cent of Nigeria's current output of around 2m b/d, it could cost the country $900m (£415) a year in lost revenues if another customer cannot be found.

Nigeria depends on oil for more than 90 per cent of its foreign exchange earnings. It had been pursuing a more prdudent pricing policy since 1977 when customer resistance to its crude prices, reflected by poor sales, forced it to cut production by a third.

The move comes at a time when U.S. oil companies are having to reduce sharply their refining activities, because of the drop in consumption and demand for petrol and other oil products. The drop has been particularly pronounced in the U.S. market prompting several leading oil groups to reduce refining operations.

Hedderwick sues Farrington Stead

By Christine Moir

HEDDERWICK Stirling Grumbar, the stockbroking firm "hammered" on the Stock Exchange on Friday, is suing Farrington Stead. The Manchester investment management group's £1.9m of unsettled gilts dealings led to Hedderwick's collapse.

A similar sum is being sought from Hedderwick by Akroyd and Smithers, a leading gilts jobber, which announced yesterday that cheques from Hedderwick to the value of £1.85m had been "dishonoured" on Friday evening.

National Westminster Bank, Hedderwick's bankers, returned all £3m of cheques drawn that day to settle the firm's gilts business.

Hedderwick is in liquidation so Akroyd must join the queue of creditors in the hope of having its debt paid. Mr. David LeRoy-Lewis, Akroyd's chairman, stressed yesterday that the amount had been "absorbed without material effect on the company's business." He also said that the company felt secure in the knowledge that the transactions represented by the cheques were done "in the normal course of business."

Normally when a broker defaults on the stock market the jobber is put directly in touch with the client to settle outstanding business and arrange payment.

It is a mark of the complicated transactions in this case that this is not happening. Hedderwick owes Akroyd £1.85m. In turn it believes it is owed about £1.9m by Farrington Stead.

The legal case that Hedderwick has just begun is thought to relate only to one transaction of just under £1m—the deal which was first spotted by Touche Ross, acting as investigating accountants for Quilter Hilton Goodison, and which aborted the proposed rescue of Hedderwick by Quilter.

Yesterday morning Mr. Justice Mustill, granted "injunctions, orders and form of interlocutory relief" to Mr. Martin Fidler, the Stock Exchange's official assignee who is acting as liquidator to Hedderwick, in his attempt to "recover sums due to Hedderwick from Farrington Stead."

Meanwhile, Quilter is still going ahead employing staff from Hedderwick who were due to join Quilter under the proposed merger.

Initial reactions from the stockbroking community, all of whom had been asked by the Stock Exchange Council to investigate any outstanding deals with Farrington Stead, was that no other unusual transactions had occurred.

Men and Matters, Page 16

Big deficit in French trade balance

By Robert Mauthner in Paris

FRANCE'S trade balance registered another substantial deficit of FFr 3.6bn (£313m), seasonally adjusted, in March, bringing the cumulative shortfall for the first quarter of 1981 to FFr 13.1bn.

While the seasonally-adjusted deficit was the same as in February, the crude figures show a sharp month-on-month deterioration from FFr 3.9bn to FFr 4.6bn in March. In the first quarter, the cumulative deficit in crude terms came to FFr 16.9bn.

Imports in March totalled FFr 48.8bn, seasonally adjusted, while exports amounted to FFr 45.2bn. The respective crude figures were FFr 55.1bn and FFr 50.5bn.

Though the results are still far from satisfactory, the trend of French trade is improving slowly. The figures for the last two months, a deficit of FFr 3.6bn in both cases, were much lower than the very high shortfall of FFr 5.9bn, seasonally adjusted, in January.

A comparison between the first quarter of 1981 and last year also shows a slight improvement. The seasonally adjusted deficit for the first quarter of this year is down to FFr 13.1bn from FFr 14.2bn in the same period of 1980, while the shortfall in crude terms has fallen from FFr 18.3bn in the first quarter last year to FFr 16.9bn in the same period of 1981.

Irish output forecast to rise by 1.5%

By Stewart Dalby in Dublin

IRELAND'S ECONOMIC output could grow by 1.5 per cent this year but the inflation rate is likely to reach 18 per cent, higher than expected. These are the main conclusions of a quarterly report by Coopers and Lybrand, the management consultants.

Their last report forecast an inflation rate of about 15 per cent. It has been revised because of the recent fall in the value of the punt against sterling and the U.S. dollar, together with an increase in oil prices at the start of the year.

Mr. Charles Haughey, the Irish Prime Minister, said last weekend he thought inflation would run at 13 per cent. In the year to February the rate was 21 per cent.

Coopers and Lybrand believe the punt will hold its value this year.

West Germany's wages round enters decisive stage

BY JONATHAN CARR IN BONN

THE ANNUAL wages round is entering its decisive stage in West Germany, with negotiations in the key metalworking sector poised delicately between success and collapse. After 57 regional bargaining sessions, the metalworking talks are approaching a climax which will set a precedent for other industries and thus have an important influence on the economy as a whole.

On April 22, the leadership of Gesamtmetall, the management organisation, will meet to consider strategy following repeated rejection by IG-Metall, the trade union, of a 4.1 per cent proposed wage increase for this year.

A day later IG-Metall's national executive, will decide—in particular on the basis of what emerges from Gesamtmetall—whether to begin the process which could lead to a strike by the country's 3.8m metalworkers.

With IG-Metall still publicly demanding a wages settlement bringing a "five before the comma," it is clear that less than 1 per cent now separates the two sides. Further, both labour and management are desperately anxious to avoid a strike. The country faces economic stagnation at best this year and an average of about 1.3m unemployed.

The union's leaders, however, have already been under heavy pressure from the rank-and-file to declare formally that the wages talks have failed. This would bring a ballot on strike action in its wake.

IG-Metall's position has been made more difficult by comments by the Government, Bundesbank and economic research institutes in the past week. These have made clear that a 5 per cent average inflation rate must be expected this year; a lower figure previously had been thought possible.

If IG-Metall's leaders accept less than 5 per cent it will be accused by the rank-and-file of failing to prevent a cut in real incomes. Union leaders are very anxious to avoid the fate of their colleagues in the building sector, who agreed on a 4 per cent wage rise, only to have it rejected by the membership.

A compromise remains possible, perhaps on the basis of an average wage rise of about 4.5 per cent, combined with an above-average increase for the lower-paid and an improvement in fringe benefits. A package of this kind might allow faces to be saved on both sides.

Stewart Fleming in Frankfurt and Robert Mauthner in Paris report on the Schmidt-Bundesbank quarrel

Bonn and the central bank fight for economic control

IT SHOULD not be surprising that from time to time Governments and central bankers disagree on their course of action. Central Banks' monetary policy in these days tends to play the leading role in economic management, and the Government's fiscal policy too often has become merely part of the cast.

The politicians, after all, have a mandate from the people, while the central bankers too often are perceived to be the all-too-willing pawns of the financial markets, both domestic and international.

The dispute between West Germany's Chancellor, Herr Helmut Schmidt, and Herr Karl Otto Poehl, president of the Bundesbank, needs to be seen partly in this context.

But there are other dimensions to the sharp words the Chancellor directed at Herr Poehl and his vice-president, Dr. Helmut Schlesinger on April 2 during the meeting to discuss economic policy which included leading figures from the ruling Bonn coalition.

The West German Central Bank has a legally established independence — by law the Government in Bonn cannot give it instructions. Moreover under law its primary functions, on the one hand to support the Government's economic policy, but on the other to defend the stability of the currency, spell out precisely the lines along which potential conflicts are likely to arise. Add to this institutional framework the unaccustomed economic difficulties West Germany is now facing, a Chancellor renowned for his irascibility, and a Bundesbank president who has had to establish his independence from his former political boss, and it is not hard to see how differences could fester.

It is not the first time in the past couple of years that disharmony between central banks and governments has surfaced. It is no secret that Mrs. Margaret Thatcher, the British Prime Minister, has had her private differences with Mr. Gordon Richardson, Governor of the Bank of England. And four years ago, when President Jimmy Carter took control of the White House, it was not long before his associates began the war of words which eventually led to Mr. Arthur Burns, the Federal Reserve chairman, being replaced by Mr. William Miller.

But even when the President's associates were attacking Mr. Burns, he himself stayed well out of the fray. He did not permit himself to be caught in public displaying the impatience which Herr Schmidt reportedly showed on April 2. Mr. Carter, it would seem, recognised that policy disagreements between the head of government and the Central Bank need to be kept firmly behind closed doors: they tend to erode the financial markets' confidence in both the Government and the Central Bank if they become public.

Herr Schmidt's unease about Bundesbank monetary policy is readily understandable, and the Bundesbank itself is not too happy about the policies it feels constrained to follow.

Through most of last autumn, the Bundesbank kept day-to-day West German interest rates at 9 per cent, and criticism of its "tight money" policy simmered. Even then, it was feared that high interest rates were contributing to the rise in unemployment and the prospect of a decline, this year, in gross national product. Then, in the New Year, the D-Mark began to weaken on the international exchanges as the dollar strengthened, partly because of high U.S. interest rates, fears about the huge West German current account deficit, and signs that West German inflation was accelerating. The erosion of the Mark against the dollar was contributing to inflationary pressures. More important, perhaps, by early February it was evident that confidence in the Mark's future value was waning, fears about outflows of capital grew as the Mark, introduced a "special at one point (a three-year low), and dealers found themselves asking, desperately, where the currency's floor was.

It was against this background that, on February 19, the Bundesbank moved aggressively in the face of the deteriorating economic outlook, driving West German interest rates to peaks not seen since the crisis days of the first "oil shock" in 1973-74. The Central Bank, anxiously looking for more weapons to support the Mark, introduced a 'special Lombard" credit rate for the banks, effectively taking even greater, but more flexible, control over day-to-day money rates.

To what would now appear to be Herr Schmidt's dismay the Central Bank drove short-term West German interest rates at least three percentage points higher. But it is not just the absolute level of interest rates that is worrying Bonn.

Small businessmen in West Germany can be paying today around 16 per cent or more for short-term bank credit when inflation—according to the way West Germans calculate it—is around 5.5 per cent. The "real" interest rate for many borrowers, including consumers, can be a whopping 10 percentage points. Expectations have also changed. Few Frankfurt bankers expect much easing in rates for several months.

The result is that some, including, for example, Dr. Hans Friderichs, (chairman of Dresdner Bank) have expressed concern about the finances and investment prospects for the medium-sized companies so important to West Germany's economy. West German companies have traditionally relied on loans for finance and have low capital resources.

It is one thing for them to pay high interest rates in a slump for a couple of months, another if the high rate period threatens to endure for much longer. The banks themselves are not enjoying the experience either. After two years of weak profits their earnings are again under pressure and as one banker put it this week: "Most of their bond portfolios are again under water."

The involvement of M. Raymond Barre, the French Prime Minister, has clearly been carefully orchestrated by Paris and Bonn.

By a happy coincidence, both Herr Schmidt and M. Barre, to say nothing of President Valerie Giscard d'Estaing, agree that a reduction of interest rates, particularly in West Germany, is in the interests of their countries and the European Monetary System. If the U.S. cannot be persuaded to lower its rates, at least the Europeans can stick together.

Unusual though it might appear, there can be little doubt that Herr Schmidt has recruited his French friends to help him fight his domestic battles.

M. Barre, who had talks with Herr Schmidt in Bonn at the beginning of this month to finalise the Franco-German $6bn international loan agreement, would hardly have written a letter to Herr Schmidt setting out his criticisms of the Bundesbank's policy unless the West German Chancellor had agreed to the manoeuvre.

The French are always very careful not to interfere in other countries' domestic affairs unless they are given the green light by the governments. In West Germany's case, in particular, President Giscard would bend over backwards not to offend the Bonn Government and, least of all, Herr Schmidt.

Finance Ministers fail to agree key issues

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

SIGNIFICANT differences remain between the Finance Ministers of the leading industrialised countries about key economic issues following their meeting in London earlier this week.

The main points of dispute concern the action to reduce interest rates and the possible expansion of the resource of the International Monetary Fund.

The problem of Polish debt was apparently mentioned briefly and there was a general discussion of the world economic scene.

The meeting has been described authoritatively as "relaxed and successful." Apart from preparatory discussions ahead of the policy-making IMF interim committee's meeting in Gabon in five weeks' time, it also provided the opportunity for Ministers and central bank governors to meet Mr. Donald Regan, the new U.S. Treasury Secretary.

The other participants meeting as the Group of Five came from the UK, Japan, West Germany, and France.

The most contentious issue was interest rates, with the French calling for a concerted reduction. The U.S. view is that high interest rates are necessary to fight inflation.

The public position of Sir Geoffrey Howe, Britain's Chancellor of the Exchequer, is that the fight against inflation is paramount. Therefore it would be wrong to press any country (by implication the U.S.) to lower interest rates against its better judgment.

Herr Karl Otto Poehl, president of the Bundesbank, broadly took this view on which he is in dispute with the Bonn Government.

A similar complexity of position emerged on the IMF questions. About the only point agreed by all was that the central banks of the main industrialised countries should lend about $1.2bn to the Fund to support its liquidity. This was agreed in principle by the central bankers at their separate meeting later in Basle.

There is no sign of agreement on whether the IMF should borrow in the private capital markets, about which the West Germans are notably unenthusiastic. The U.S. and Britain apparently are cool about French proposals for new IMF facilities, with an aid link to help the poorest developing countries.

There was some discussion about future allocations of special drawing rights, the Fund's own currency, but little progress was made about the provision of extra resources for the World Bank and its affiliates in view of the cutback in U.S. contributions.

Backing for EEC 'oil bank' wanes

By John Wyles in Brussels

SUPPORT for an EEC "oil bank" to suppress spot marke demand is waning among mem ber states following a close study of the political and tech nical obstacles.

As a result, the Ten seem t be moving towards a more in formal arrangement that would effectively postpone difficul decisions about how and in wha circumstances oil could b moved between EEC countries.

The basic aim would remain one of trying to help a membe state avoid having to resort t the oil spot market in order t keep its stocks up to minimum levels of 90 days consumption.

The original "oil bank" ide was conceived when ther seemed to be a risk that oil spo prices would climb sharply a a result of shortages caused b the Iran-Iraq war.

It envisaged the creation o "oil drawing rights" whic would be passed to membe states with temporary suppl problem and low stocks. Bu these would be paper rights and oil would only change hands i extreme circumstances.

A group of energy exper drawn from the capitals of th Ten has been examining th idea since last month. It is now clear that few member state would want to go ahead wit this or other schemes unles it was first adopted by the International Energy Agency—th broadly-based energy grou

But they are also far from consensus on the merits of th oil bank plan. West German has reservations about measure which would take pressure of governments to tighten energ conservation and diversificatio policies.

Othe problems centre on th delicate relations between gov ernments and oil companie which in many cases could no legally be directed to co-operat with such a scheme.

Swedish prices rise

Swedish consumer prices ros 4.8 per cent in the first quarte according to the Price and Ca tel Board, writes William Du force in Stockholm. The St tistical General Burea slightly different measure r corded a 4.9 per cent increa in the three months to t middle of March. Both ke Sweden's inflation rate at 1 per cent for the previous month, above the average f OECD countries.

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The Basque country is in a state of extreme tension, writes **Robert Graham**, recently in Guernica

Why the Basques are at war with Madrid

RETURNING to Madrid from the Basque country is depressingly reminiscent of returning to Tel Aviv from the Palestinian West Bank. Basques continue to regard the central Government in Madrid—and the rest of Spain—with mistrust and contempt.

The feeling is mutual. With disarming frankness, one prominent Basque politician commented: "South of the Ebro (which divides the Basque country from the rest of Spain) they are all Moors." In Madrid, an equally responsible member of a main political party sighs resignedly: "The Basques are mad. They are willing to destroy democracy just to get a little more freedom from Madrid."

This barrier of mutual suspicion and misunderstanding continues to dog any real solution to the problem of Basque autonomy, and threatens to undermine any achievement by the security forces in subduing the militant Basque separatist organisation Eta.

The Basque country is experiencing its tensest moments since just before the death of Gen. Franco, when a state of emergency was introduced.

The Spanish Government, under strong military pressure, has declared virtual open war on Eta. Special army units, totalling some 2,000 men, have been drafted in with helicopters, patrols and cross-country motorcycles to control the rugged Pyrenees mountain border with France. Seven Spanish warships have moved into the Basque coast to police maritime traffic. Special units of the paramilitary Guardia Civil have been seconded in the past 10 days to the Basque country. A new anti-terrorist command, grouping the various independent intelligence operations of the National Police, Guardia Civil and armed forces, has been set up. And finally, parliament has just passed sweeping legislation imposing tougher sentences on people aiding and abetting terrorism.

The excuse was the upsurge of Eta action against the armed forces after the abortive February 23 military coup. Two colonels were killed in Bilbao and Pamplona as they came away from attending Mass. But the absence of new legislation would have obliged the Government to resort to one of three types of control for the Basque country—a state of alarm, emergency or siege. These would take about a month to pass through Parliament, but the likelihood is still strong that one may still be used. Any of the three would effectively suspend constitutional liberties in the Basque country.

The hard-line military wing of Eta, responsible for most assassinations over the past five years, is increasingly isolated. The same applies for its political front, Herri Batasuna, the loose radical grouping which accounts for a hard core of about 25 per cent of the Basque vote.

The political-military wing of Eta, organically distinct, has declared a ceasefire since the coup attempt, warning of the dangers of provoking the armed forces. So has its principal political ally, the left-wing Euskadiko Ezkerra party. The popular attitude to Eta was also graphically expressed two months ago when 200,000 people demonstrated in Bilbao against the assassination of Sr. Jose Maria Ryan, a nuclear engineer at the Lemoniz nuclear plant.

The Basque country is increasingly wearied by Eta's violence and intimidation, which has contributed to the collapse of investor confidence. Bilbao is full of declining or closed businesses which no one will buy, flats for sale at below purchase price, and prestige office blocks unlet. In Spain's industrial heartland, the centre of the steel and engineering industries, this has given a new edge to the four-year-old recession which has made idle almost 14 per cent of the workforce.

The most open challenge to the Government, and indeed to the future of the Basque country, centres on the Lemoniz power plant. Lemoniz, 17 kilometres from the centre of Bilbao, is near completion. Iberduero, the private utility has invested over $1bn in the plant, the biggest single fixed asset in the Basque country. The plant is already over four years behind schedule, not least because of Eta attacks. For the past two months work on it has been seriously affected by Sr. Ryan's death and Eta threats to other staff members.

Eta wants the plant scrapped and is waging a bitter campaign against Iberduero. In the first three months of 1981 alone it has attacked over 30 Iberduero installations in the Basque country, causing Pta 100m (£525,000) worth of damage. The Basque country is short of energy and Spain as a whole needs the new capacity of Lemoniz. But Lemoniz will probably open only when Eta has been tamed.

Police action against Eta can go only so far. So long as France offers a safe haven, the security forces have their hands tied (on the night of the coup 26,000 cars crossed the frontier into France for fear of arm-reprisals). Intimidation thrives, in the form of revolutionary taxes on industrialists and businessmen, while the French authorities refuse to interfere with Eta bank accounts in St. Jean de Luz.

But Eta has reportedly already taken the precaution of establishing an alternative operational base in Belgium—a country which ties in with its existing arms contacts, sales of drugs to finance weapons purchases and its international liaison with the Irish Republican Army.

Members of the Basque National Party believe the Government's refusal to speed up the creation of an effective Basque police force can have only negative results.

Perhaps more serious is a fear now that a restrictive government approach to devolution, coupled with repressive measures by the army and security forces, will quicken the residual feelings of mistrust towards Madrid, permitting, or forcing, all Basques to close ranks against the real enemy—Madrid.

ETA members, masked against identification, hold a news conference

Two ex-military officers murdered by gunmen

SAN SEBASTIAN—Suspected separatist guerrillas shot dead two retired military officers yesterday in the Spanish Basque country, police said.

The first victim was identified as Sr. Oswaldo Jose Rodriguez Fernandez (61), who was shot in the head as he arrived at work at an armed forces social services institute in San Sebastian. Police at first said he had been a lieutenant in the Guardia Civil but army officials later said he had served in the infantry.

The other man, Sr. Luis Cadarso San Juan (68), a retired Guardia Civil officer, was fatally wounded soon afterwards as he was walking near his home in a Bilbao suburb.

The two attacks are understood to bear the hallmarks of ETA, the Basque guerrilla organisation.

Police in the northern Spanish town of Logrono, meanwhile, said Sr. Luis Suner Sanchis (71), a leading industrialist, was released yesterday by suspected Basque guerrillas.

Sr. Suner was snatched by six hooded gunmen from his froz-en-food factory near Valencia on January 13. Although ETA's political-military wing denied claims for the kidnapping made in their name soon after the incident, police said they still believed the guerrillas were involved.

Reuter

Women bear banner of far Left into battle with Giscard

BY DAVID WHITE IN PARIS

ONLY THREE candidates among the 10 challengers for the French presidency do not issue from the main currents of the parliamentary majority and opposition. Two women and a man, they represent the Ecologists and the far reaches of the left wing.

In the 1978 French legislative elections, the extreme Left and the Ecologists collected 5.47 per cent of the vote. In the last national ballot, the June 1979 European election, they pushed their score up to 7.47 per cent.

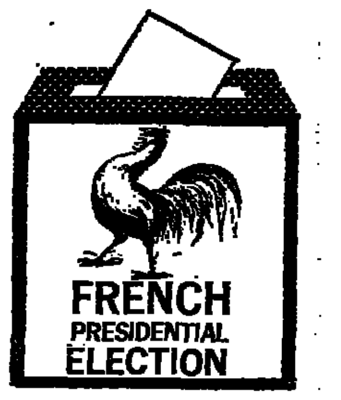
The only candidate of the three to have stood before is Mlle. Arlette Laguiller of the Trotskyist Lutte Ouvriere. In 1974, when she was the only woman candidate, she gained 2.33 per cent. A bank clerk at Credit Lyonnais, 40 years old, disdainful of the rites of marriage ("the last bastions of bourgeois morals"), she presents herself as a worker addressing workers.

A shrill soap-box orator, her delivery is punctuated by short, nervous gasps, but she strikes the right note with her audiences. Her attacks are aimed simultaneously at "the true men of the Right and the false men of the Left."

Mme. Huguette Bouchardeau, a 45-year-old Lyons university don, is standing for the Parti Socialiste Unifié (PSU), a stray from the Socialist movement formed in 1960. To the party's traditional ideals of industrial democracy and anti-imperialism, the candidate has added a strong element of feminism.

She is a striking figure, with a warm, "lived-in" face and a shock of wiry ginger hair. She is the only self-proclaimed women's candidate, but the very feminist "F" magazine found out that Frenchwomen like M. Giscard d'Estaing better. A poll suggested that if the President is re-elected, it will be because of the female vote.

M. Brice Lalonde (35), organiser of the French branch of Friends of the Earth, was chosen as candidate last June.



But the choice was immediately contested. Several other ecologists went ahead with their own campaigns. One group tried to launch the prestige figure of commander Jacques-Yves Cousteau, the oceanologist. He has backed out, however, and has given his support to M. Lalonde. But a rival candidate, M. Jean-Claude Delarue, wants supporters to vote Socialist.

Which way will these candidates' supporters vote when the candidates themselves are knocked out in the first round of voting on April 26? Mme Bouchardeau clearly favours M. Mitterrand. So, more reluctantly, does Mlle Laguiller, as the "less repugnant" of the options. But the Ecologists' vote is less easy to rely on.

50th ANNIVERSARY OF SECOND REPUBLIC

Thorny issues still unresolved

BY OUR MADRID CORRESPONDENT

SPAIN YESTERDAY commemorated in sombre mood the 50th anniversary of the founding of the Second Republic, conscious of the parallels between then and now in the light of Febuary's abortive coup. The proclamation of the Spanish Republic on April 14, 1931, led to the introduction of radical social and political changes, many of which Spain is again seeking to introduce in the wake of the Franco dictatorship.

The Republic saw the advent of regional autonomy in the Basque country and Catalonia, led to the separation of Church and State, the enfranchisement of women and the legalisation of divorce. Several of these controversial issues are still unresolved today five years after Franco' death.

Indeed, a moderate divorce law has only just passed through the Lower House of Parliament, while the regional issue remains as problematical as ever. Nor is the Church yet properly separated from the State.

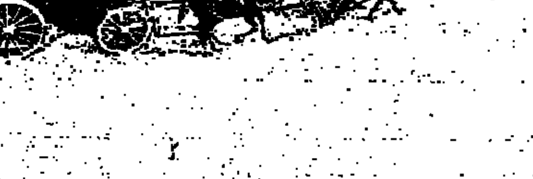
The great difference, as newspaper editorials pointed out yesterday, was that the present reforms are being introduced within a more industrialised society under the aegis of a parliamentary monarchy. The monarchy is modern Spain's key stabilising force, the Liberal daily El Pais and the Conservative monarchist, ABC, concurred.

In 1931 the present King's grandfather, Alfonso XIII, was forced to abdicate to make way for the Republic because he was associated with the mistakes of the Primo de Rivera dictatorship. However, newspapers have found it necessary to invoke tortuous logic to explain the significance of the Republic without the King, and democracy with a King today—an institution needed more than ever as a result of the attempted coup.

One of the hardest things for the Left to accept when drawing up the constitution was to forgo their republicanism. Even today, most Socialists and Communists say they are republicans even though they support the monarchy.

Sr. Jose Maldonado (80), the last head of the republican government in exile until it dissolved itself in 1978, said yesterday he viewed the present situation as "bad." "The psychosis of a coup continues because we do not have sufficient faith in our democratic institutions," he said.

The anniversary of the Republic has also been a reminder that it is not only the Left which has republican sentiments. A controversial letter published in ABC over the weekend from Col. Antonio Tejero, the Guardia Civil officer who led the seizure of Parliament on February 23, revealed that he, too, was anti-monarchy. Indeed, a portion of the armed forces, faithful to Phalangist views, has never concealed its mistrust of the monarchy.



Thatcher unlikely to sway Gandhi on Soviet threat

BY K. K. SHARMA IN NEW DELHI

STRONG differences of opinion on a number of major international issues are expected to cloud talks between Mrs. Indira Gandhi, India's Prime Minister, and Mrs. Margaret Thatcher, her British counterpart, which begin today.

Observers in Delhi also await with interest this first set of bilateral meetings between two of the world's most prominent women. *Both are single-minded* and forthright in their views and it is open to speculation whether either will be prepared to listen as well as press her views.

Mrs. Thatcher's five-day visit is seen in New Delhi in parallel with attempts by other major Western European countries to strengthen links with India.

If only because of its size and location, the country is in a pivotal political position and offers increasing economic opportunities.

Mrs. Thatcher follows in the footsteps of her counterpart in France, West Germany and Italy. *All are seeking major* contracts offered as part of *India's* development plans.

Equally important, Mrs. Thatcher will try to persuade Mrs. Gandhi to *change* her equivocal assessment of the Soviet threat to the region. Only the non-aligned countries have succeeded in moderating India's ambivalent position on Afghanistan, and it is unlikely that Mrs. Thatcher will have more luck than other Western Europeans.

Mrs. Gandhi has lost no opportunity in the past two months to point to the danger of rearming Pakistan. Mrs. *Thatcher, only last week, was* reported to have justified Pakistan's rearmament programme on grounds of a security threat. The two leaders have made diametrically opposite statements on the Gulf region, the Indian Ocean and super-power rivalry.

To Mrs. Thatcher, like President Reagan of the U.S., the *Soviet invasion of Afghanistan* threatens the entire Gulf region and South Asia. To Mrs. Gandhi, the main danger is super-power *confrontation that is reviving* the arms race in the region—with Pakistan the direct beneficiary.

A shadow has been cast over Mrs. Thatcher's visit by the strong probability that the Indian Government contract *for new jet fighters will go to* France. This will be at the cost of half the widely-publicised and *controversial Jaguar deal* with British Aerospace.

Nor has the Indian Government shown signs of speeding up a decision on the Paradip steel plant on India's east coast.

Strike by black workers hits S. Africa car works

BY BERNARD SIMON IN JOHANNESBURG

PRODUCTION AT Sigma Motor Corpn., one of South Africa's *largest motor manufacturers,* has come to a virtual standstill following a strike by 4,500 black workers at the company's *Rosslyn plant,* near *Pretoria.*

Sigma is a subsidiary of Anglo-American Corpn. the South African mining and industrial conglomerate. Chrysler the U.S. holds a 25 per cent minority interest.

The company assembles Mazda, Peugeot and Citroen cars in South Africa, as well as a range of commercial vehicles *and earthmoving equipment.*

The strike, which started last week, revolves around a dispute over recognition of a pre*dominantly black trade union.* The National Union of Motor Assembly and Rubber Workers and Sigma's management agreed *last August that the union* would be recognised once it could prove that its membership included 50 per cent of the workforce.

The union claims this figure has been reached and has *insisted that* the company negotiate a large wage demand with it. Sigma, however, says *that the union* has not yet proved its support.

Israelis arming Christian militias

By David Lennon in Tel Aviv

ISRAEL is supplying the Christians in northern Lebanon with the means to fight and *defend themselves, military offi*cials in Tel Aviv confirmed yesterday.

But they denied reports that Israeli military advisers were operating in northern Lebanon and stressed that there are no Israeli-run bases in Lebanon for training the Christian militias.

The military officials refused to comment on *reports that* Gen. Rafael Eitan, Israeli Chief-of-Staff, had visited the Christian military headquarters in Jouniyeh, north of Beirut two weeks ago.

There have been frequent reports in recent years about meetings between Israeli military and political leaders and the heads of the northern *Lebanese Christian communi*ties. Israel has repeatedly stressed that it will aid the Christians to resist Syrian attacks.

The military officials said in Tel Aviv yesterday that the recent fighting around Zahle in Eastern Lebanon, had been brought on by Christian attempts to gain control of the *main route between* Beirut and Damascus.

The officials tended to play down the significance of this battle, implying that more such localised clashes could be expected as long as the political situation in Lebanon remained unsettled.

Hisan Hijazi reports from Beirut: Mr. Bachir Gemayel, the Lebanese *Christian militia* leader, said yesterday that the time has come for a final solution to the six-year-old Lebanese crisis. He claimed his rightist followers had scored a victory in the Zahle clashes, and had succeeded in "generating international interest in the Lebanese cause."

Our Cairo Correspondent writes: *President Anwar Sadat* of Egypt has ordered a committee of inquiry into allegations made by his friend and confidant, Osman Ahmad Osman, against certain personalities of the Nasser era. The allegations made in Mr. Osman's recently published autobiography, referred to unnamed leaders, who, he claimed, had had *villas built for them* "at a fraction of their cost."

Plans for expansion at Iran's only working steel mill

BY TERRY POVEY

EXPANSION plans are going ahead *at Iran's only working* steel mill at Esfahan in central Iran. Although the work is now five years behind schedule, officials say it will soon be completed, pushing production at the Russian-*built plant to* a maximum capacity of 1.9m tonnes a year from the present level of 650,000 tonnes.

But the plant will probably continue to encounter problems over coal supplies. Since the revolution upset supplies of imported coal, the mill has sometimes had only three days' stocks.

Iran possesses estimated coal reserves of 700m tonnes, but the seam formations have made it difficult to mine.

Management at the plant is shared between the managers appointed by the Goverment and *156 workers' representa*tives elected to the "Islamic Employees Council."

Islam makes its presenee felt at the mill, with midday prayers broadcast over the works' Tannoy. But management *has tried to contain* demands from fundamentalists who wanted to make prayers compulsory.

Mr. Hussein Azerbaijani, the plant's production manager, said output was averaging *1,700 to 1,800 tonnes* a day and he foresaw no further problems in completing the expansion.

But on the issue of future coal supplies he said: "Our coal problem has two dimen*sions.* First, *quantity:* we estimate that Iran could produce coal sufficient for 4m tonnes a year iron production.

But there have been personnel, technical and other problems in the mines. These are *now being* sorted out."

He said Russian and Polish advisers were helping with improvements to the backward Iranian coal industry.

The other problem with coal, Mr. Azerbaijani said, was quality. "We mix 5 to 10 per cent of high quality West German coal with our own. Because of sanctions this supply of coal was interrupted and we had to use only Iranian coal. Now this supply has resumed."

Why the Iranians will keep importing steel

BY OUR TEHRAN CORRESPONDENT

"IRAN'S STEEL industry has spent the last two years recovering from the absurd expansion plans and production targets set *for it by the previous regime,*" said an engineer working for the state-run National Iranian Steel Corporation. The re*thinking on steel, after oil the* most important of Iran's developing basic industries, is clearly not yet over, but the Islamic republic has not abandoned all the old plans. The importance it gives to steel is indicated by the presence in the Government of Mr. Mahmoud Ahmadzadeh as Minister for the Steel Industry.

The plans criticised by the engineer were those rapidly drawn up after Iran's oil revenues quadrupled in 1974. *The plans decreed massive* expansion in every sector, and steel was hit harder than most.

Steel consumption was predicted to rise from under 2m tonnes a year in the first three years of the 1970s to 15m tonnes within a decade. Plants using a bewildering variety of processes and techniques were to be built to meet this demand *as far as possible from internal* production, and even exports were dreamt of.

At one time, no less than 10 *major plans* were on the drawing boards, not including expansion plans for existing plant. The industry was to have three main centres: Esfahan in central Iran, based on the existing Russian-built mill; at Ahwaz in the south-western province of Khuzestan; and at Bandar Abbas on the Gulf.

Many of those projects have now been dropped and last year Tehran decided that steel would be based on only two sites: Esfahan and Ahwaz. After many months of doubt following the revolution, the go-ahead was finally given for the *original* Bandar Abbas project to be built at Mobarakeh, some 20 kilometres from the existing mill close to Esfahan.

The Italian companies building the plant—Finsider, the engineers, and Italimpianti, the constructors—have scored a major success. The $3bn plant (at 1976 prices) aims to produce 3m tonnes a year by direct reduction (steel direct from ore). Construction at the site has only just begun and delegations from the Italian companies have recently been in Tehran discussing cost escalation clauses in the renewed contract. Originally this was in effect an oil-for-equipment barter deal, but payments are now reportedly to be made in cash. Iran has to date paid some $100m for equipment, and ship*ments continue to get through* despite the war and the pressure for berths at Bandar Abbas.

One clear effect of the decision to move the plant to Esfahan will be the abandonment of the original plans to export up to 40 per cent of its output. It has also put into question an arrangement between Iran *and India over the* development of the Kudremukh iron ore mines. One Indian Minister recently charged Iran with reneging on its obligations over the mine. Indian officials in Tehran say *the mine,* developed solely for Iran's use, was financed by a $630m loan from the late Shah's regime.

Most of the loan was to be *repaid by the sale of* ore to Iran, but since mid-1978 no payments to India have been made. The mine was completed last August, but Iran has shown little or no interest. Special berths for ore carriers at Bandar Khomeini were never built, and the Gulf War, plus the decision to move the Italian plant to Esfahan, have further cut the mine's value to Iran.

Iran's own iron ore reserves are put at 650m tonnes, mainly at Golgohar near Kerman. However, as with coal, imports of higher quality ores are required *to make a suitable "mix." Iran* has been importing some 400,000 tonnes of ore a year from the Swedish consortium Malmo-export since 1976, but this contract has recently been hit by payment problems. Its fate is as yet unknown.

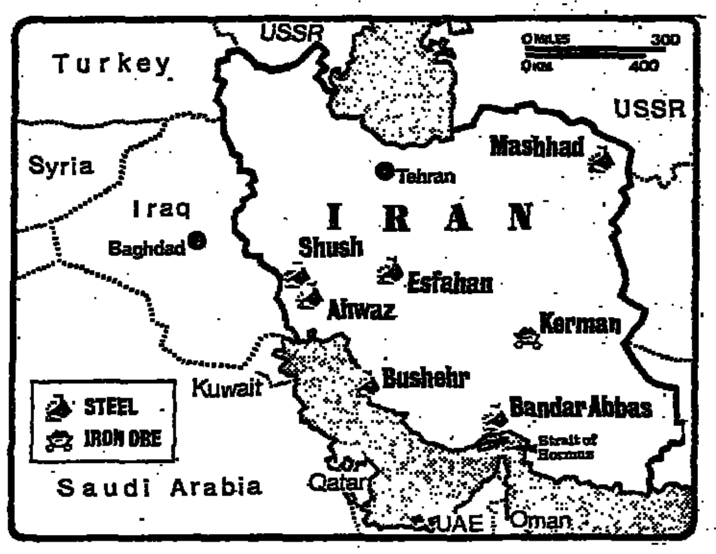
Progress at Ahwaz has been virtually zero. The main project, by West Germany's Korff Company, 65 per cent completed, has been stalled since the revolution. Some 12,000 workers hired by Korff are still being paid, according to Tehran reports, and the war has ended *any hope of resolving the differ*ences with the Iranian authorities over the 1.2m tonne direct reduction plant.

The Gulf War has also stopped work at the established Ahwaz pipe and rolling mill, as *well as on the mill's expansion.*

Because the Gulf War has closed the Ahwaz plants, and the Italian plant is just in its early stages, Iran today depends for its steel and iron production on the Russian-built plant some 35 km outside Esfahan.

No projections for Iran's future steel demand have been officially published, and with only the 500,000-600,000 tonnes a year from Esfahan, massive quantities of steel and steel *products* have been imported. The Commerce Minister last year estimated that a full sixth of all Iran's *imports* were steel (therefore *costing* about $2bn).

Clearly, the abandonment of many prestige projects has cut *steel demand.* The second gas pipeline to Russia, Igat 2, would have required some 2.5m tonnes of steel pipe alone, railway electrification plans some 500,000 tonnes a year, and motorway construction a further 1.6m tonnes. With these all cancelled, a more modest 7m tonnes by the mid-1980s seems to be the new target, but *even that appears optimistic* given likely construction delays and teething problems with the more advanced direct reduction system on which this projection is largely based. All this suggests Iran will remain a major steel and iron importer for at least the next five years.



WHERE PLANTS WERE PLANNED

- **Esfahan: steel mill, 650,000 tonnes, Soviet-built, functioning.** ***Phase one expansion* 1.9m tonnes, Soviet Union, completion date spring 1982. *Phase two expansion 4 to 5m tonnes,* Soviet Union, no government approval yet.**
- ***Esfahan: direct reduction*** **(HYL process), 1m tonnes, Swindell-Dressler and Kelloggs (U.S.), designed, not** ***built, now*** **cancelled. Company seeking compensation.**
- **Ahwaz: direct reduction (*Midrex* process), 1.2m tonnes, Korff (West Germany), 65 per cent complete. No work done since revolution.**
- **Ahwaz: direct reduction (purifier process), 330,000 tonnes, Thyssen (West Germany), completed and *functioning until the war.***
- **Bushehr: direct reduction (Midrex process), 2.5m to 3m tonnes, West German con*sortium led by Korff, Krupp.* Project cancelled.**
- **Mashhad: direct reduction, 500,000 tonnes, Soviet Union, project cancelled.**
- **Shush (near Dezful): electric furnace using scrap. *200,000 tonnes, completed* 1975, previously privately owned and now nationalised.**

هكذا من الأصل

Right-wing group in effort to oust four Congressmen

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

THE BEST KNOWN American Right-wing political pressure group plans to spend $1m (£460,000) in an effort to oust from Congress the four members it claims are the biggest stumbling blocks to the passage of President Reagan's economic package.

At the same time another organisation, which includes many prominent Conservative individuals and groups, has *proclaimed today as "Growth* Day," designed to raise public consciousness about what is portrayed as the evil of excessive government.

The four members of Congress featured on the "hit list" drawn up by the National Conservative Political Action Committee (NCPAC) are Senator Paul Sarbanes from Maryland, Congressman Jim Jones from Oklahoma, chairman of the House Budget Committee, Congressman Jim Wright from Texas, Democratic majority leader, and Congressman Dan Rostenkowski from Illinois, head of the Ways and Means Committee: All are Democrats.

Mr. Jones has already replied tartly that, if he listens to anybody, it will be his constituents in Oklahoma, not outside lobbyists.

Ironically, NCPAC believes that the Reagan economic programme is not conservative enough. It tends to share the views of the three very conservative Republican members of the Senate Budget Committee who last week joined Democrats in opposing the package on the grounds that the Federal budget deficit must be eliminated sooner than the Administration projects.

NCPAC claimed credit last year for the wholesale eviction *of prominent liberal Democrats* from Congress. However, not since 1934 has the party which lost the presidential election failed to make gains in the subsequent mid-term polls.

The invariably aggressive and negative tenor of NCPAC's political advertising presages bitter contests for the four Democrats next year. In fact, the campaign against Senator Sarbanes, who will be characterised as the *most liberal free-spender in the* Congress, begins today on Maryland TV stations.

While not directly associating itself with the NCPAC campaign, the White House has lent the President's name to the "Growth Day" project in the form of a brief letter endorsing the scheme. In it, Mr. Reagan joins the organisers in "saluting the achievements of the private sector and the enterprising spirit of the American people."

New prime rate rise brings split level

By Our New York Staff

MORGAN GUARANTY Trust, the fifth largest U.S. bank in terms of assets, and the Bank of New York, both increased their prime lending rate yesterday by half a percentage point to 17.5 per cent following the increase by a number of other major U.S. banks in the last few days.

The latest round of prime increases reflect the upturn in U.S. interest rates and the increased cost of bank funding.

But Citibank, the largest U.S. bank in terms of assets, decided at its weekly conference yesterday, in which the bank reviews its lending rate to prime borrowers, not to increase its prime, maintaining it at 17 per cent.

This means that the prime rate in the U.S. is effectively at a split level of 17 and 17.5 per cent.

But Wall Street analysts forecast that, in view of the present state of interest rates in the U.S., the prime is likely to continue to move up in coming months.

Despite the latest increase in the prime yesterday, short-term interest rates generally fell off in early New York trading.

Levesque sweeps back to power in Quebec

BY ROBERT GIBBENS IN MONTREAL

MR. RENE LEVESQUE and his Parti quebecois were swept back to power in Monday's Quebec provincial election. His party won 80 seats, against 42 for the Quebec Liberals under Mr. Claude Ryan.

The Union nationale, once the most powerful party in the province, was wiped out completely. Its new leader, Mr. Roch Lassalle, was defeated in his home territory. In the 1976 election they had won 11 seats.

The Parti quebecois won 49 per cent of the popular vote—its best showing yet—against 41 per cent in the 1976 election, and the Quebec Liberals won 46 per cent, up about 10 points from 1976. The Union nationale dropped to 5 from *18 per cent.*

The English-speaking community, amounting to about one in five Quebeckers, remained heavily pro-Liberal. But for the first time the Parti quebecois managed to make inroads into the ethnic communities of Montreal, consisting of people of other than British or French origin, such as Greeks or Italians. Nearly 25 per cent of this vote went to the Parti quebecois.

Only last autumn, Mr. Levesque, the Premier, a man of charm and charisma, had decided against an election in the well-founded belief that he would have met defeat. The memory of the May 20, 1980 referendum is still in people's minds. Then Mr. Levesque lost his proposal for "sovereignty-association," by which he meant political sovereignty for Quebec in economic association with the rest of Canada.

Mr. Rene Levesque and his wife Corinne raise their hands in triumph in Montreal

In the past 18 months, Quebeckers have in turn voted massively for Mr. Pierre Trudeau, the federal Prime Minister and his Liberal Party; against sovereignty-association; for Mr. Jean Drapeau, the federalist mayor of Montreal; and now for Mr. Levesque who, at heart, is probably still inclined towards separatism. The contradictary pattern implies that a majority in Quebec does not want to separate from Canada, but also that a majority regards Mr. Levesque as the best man to defend its special interests in the battle for Canada's constitutional future.

Mr. Trudeau's constitutional proposals, now the subject of a contest in the federal Parliament and before the courts, is calculated to counteract the tendency of some provinces, Quebec included, to grasp a greater degree of political power. In particular, the proposals would weaken, if only slightly, the priority given to French as the language of government and business in Quebec by the Parti Quebecois Government returned in 1976.

What Quebeckers do seem to have accepted is the Parti Quebecois claim that it has provided good government, and that it would continue to do so. Moreover, the French-speaking majority seems convinced that the party will protect the substantial gains made under its rule for the French language

The constitutional issue as such had little direct impact on the election. Quebeckers reacted in a defensive way, and Mr. Ryan's position on the constitution remained confused.

Mr. Ryan and the Liberals, though working hard at renewal of their party, had difficulty in presenting a clear alternative, and their criticism of Parti Quebecois economic policies did not reach the target. However, they did pick up two seats in francophone constituences of Montreal. They will have some useful new blood in the new Assembly, and will make a more effective opposition. Mr. Ryan himself is likely to remain at the helm for some time.

Mr. Levesque has said he will not call another referendum in the lifetime of the new assembly. But his party has not entirely ruled out a snap election on the issue.

A renewed exodus of business and especially company headquarters, such as followed the 1976 election, is unlikely.

Mr. Jacques Parizeau, the Finance Minister, will continue giving fiscal concessions to Quebec-based companies. The labour climate is likely to remain fairly favourable, especially since the main unions quietly backed the Parti Quebecois in the election. Constant labour unrest was one reason for the defeat of Mr. Robert Bourassa's provincial Liberal Government in 1976.

Editorial, Page 16

U.S. urged to tax oil imports

WASHINGTON—A big new tax on petrol or a duty on imported oil should be part of a top-priority effort to break the power of the oil exporting countries, according to a study made available on Monday on the policy the U.S. should follow in the 1980s.

OPEC, or more accurately, Saudi Arabia, the report says, has set a floor under world energy prices which has depressed aggregate demand and worsened global inflation.

The study is called American Foreign Economic Strategy for *the Eighties. It* was written by Timothy Stanley, former defence adviser to the U.S. mission at NATO; and two other executives of the International Economic Policy Association, a business-supported organisation.

It quotes the U.S. Department of Energy as estimating that a tax of 50 cents a gallon (3.8 litres) on petrol could cut U.S. demand by 390,000 to 630,000 barrels a day by 1985. But the study says this much tax is probably more than is politically feasible. It does not suggest an alternative figure.

The US. federal tax of only 4 cents a gallon has not changed since 1959. State taxes average an additional 9 cents a gallon and 29 of the 50 states are considering increases. These are not designed to cut consumption but to increase revenues that have dropped because of reductions in consumption that have already taken place.

In the short term the study also calls for:

- Faster addition to the present U.S. oil reserve, now estimated at 115m barrels. It recommends that a minimum 300,000 barrels be added daily instead of the present 200,000 barrels.
- More spending on conservation programmes.
- Increased coal production.
- Re-examination of the use of resources on federal lands.
- More international lending for the development of new sources of energy in poor countries.

Over the longer term, the study emphasis conservation, as well as on nuclear energy, synthetics and renewable forms of energy, from the sun, plants, earth, wind, water and ocean.

AP

Grenada airport aid talks start

By Larry Klinger in Brussels

THE TWO-DAY Brussels conference aimed at raising the remaining $30m (£13.8m) needed to finance the Grenada's international airport project opened yesterday with representatives attending from the Organisation of Petroleum Exporting Countries (OPEC) Iraqi and Caribbean development funds and several Middle East, African and South American countries.

The five EEC states which were invited did not attend. Grenada claims this was because of pressure from the U.S., which opposes the project because of fears that Grenada's left-wing regime might allow Cuba to use the planned 9,000-foot runway as a staging-post for greater Cuban military involvement in southern Africa.

The conference was organised by Grenada with the technical assistance of the European Commission

Grenadan officials said yesterday that the "real attitude" of the five invited EEC countries — West Germany, France, Italy, Belgium and the Netherlands—will become known in the next few weeks after they study a report on the conference from the Commission development officials attending the meeting.

Britain, which recently decided not to renew aid to the tiny Caribbean country beyond current commitments, was not invited.

Reagan ready to step up activity

PRESIDENT REAGAN, who is convalescing in the White House, will begin to receive visitors towards the end of the week, White House officials said yesterday.

Mr. Larry Speakes, the acting Presidential Press Secretary, said the President would not return to the Oval Office for some time but would be inviting business leaders and others to visit him in his private quarters in a day or two.

Hint of thaw in tense relations with Maputo

MAPUTO—Mr. Chester Crocker, President Reagan's special envoy to Africa, held four hours of talks yesterday with Mozambique officials and then flew to the tiny neighbouring kingdom of Swaziland for a brief stopover before arriving in South Africa later in the day.

Despite some indications that U.S.-Mozambique relations were thawing in the wake of the expulsion of four Americans last months for alleged espionage, the envoy did not meet President Samora Machel.

"We had never been informed that there would be such a meeting," said Mr. Crocker, nominated as Assistant Secretary of State for African Affairs and at present touring Africa as part of the formulation of a new U.S. policy

U.S. officials privately expressed some disappointment that Mr. Crocker did not exchange ideas with Sr. Machel, a Marxist guerrilla leader who took power when Mozambique became independent from Portugal in 1975. It was the first time during his swing through Africa that he did not meet the host country's top official.

Mr. Crocker conferred with Sr. Joaquim Chissano, the Foreign Minister, and Sr. Sergio Veira, the leading Frelimo Party theoretrician, who also heads the Bank of Mozambique.

The envoy said the talks had covered Namibia and other regional problems in southern Africa. 'We also discussed our bilateral relations. We exchanged views about them in a very open fashion on both sides and I will be reporting backq to the Secretary of State."

Just hours befor Mr. Crocker flew here on Monday from Zimbabwe, there was a strong indication that Mozambique might be ready for a rapprochement with the U.S. over the expulsion of its citizens. The U.S. Embassy disclosed that Mr. Arthur Zimmerman, a General Tire executive detained on suspicion of espionage, had been released last Friday after 37 days in prison.

AP

Kevin Done in Frankfurt reports on illegality in the vineyards

Scandals sour German wine industry

Terry Kirk

The vineyards of Rudesheim.

THE GROWING popularity of German wine in North America and northern Europe helped West German wine growers to increase exports last year by 11.5 per cent to 172.5m litres.

The industry is deeply concerned, however, about the damage to its reputation from the rash of scandals that have hit it in recent months in which hundreds of wine growers are under investigation for illegally adding sugar to improve the quality of their wines.

Legislation is being prepared in Bonn to try to tighten control of the industry, and a first draft should be ready for the Cabinet by the end of the month.

The main aim of the amendments to existing German wine legislation will be the introduction of a far-reaching system of inspection of all vineyards during the autumn harvest to establish both the quality and volume of grapes picked.

At the harvest, it is possible to see what quality of grapes have been grown, but as soon as the grape-must begins to ferment it is almost impossible to prove that invert sugar has been illegally added.

A team of eight public prosecutors in Mainz supported by six detectives are investigating more than 1,900 wine growers and over 150 sugar suppliers who are suspected of involvement in illegal "sugaring" operations. The first case against a sugar supplier is expected to come to court in Mainz next month, but it could be next year before the courts are ready to start hearing the main cases against individual wine growers.

The prosecutors maintain that at least 5.7m kilograms of liquid sugar was sold to vineyards following the grape harvests of 1977-79, which alone would be enough to "improve" the quality of around 200m litres of wine.

According to Dr. Reinhard Muth, the new president of the West German Wine Growers' Federation, "the damage to the reputation of German wine both at home and abroad is enormous." He is determined that tighter controls be introduced, and other measures, in addition to the autumn inspections, are under discussion. These include:

● The precise mapping of all vineyards according to size and quality of the location. This could help counter, for instance, the fact that a greater volume of Moselle wines are on the market than can actually be grown in the region;

● The introduction of more special label seals to safeguard high quality wines. This could prevent the appearance on the market of apparently high quality wines at improbably-cheap prices. Volumes of 1976 so-called quality wines are currently on the market at what are described as "fairy-tale prices."

● The picking of special "Spätlese" or late-picked grapes, could be delayed for at least 10 days after the start of the harvest to ensure quality. The present delay is only 3 days and,

●*Introduction of computer* analysis of grape volumes and qualities. The industry is also discussing the imposition of *maximum harvest levels* per acre as is customary in several other wine-producing countries.

The latest scandals came too *late to affect wine exports last year*, however, and sales abroad grew by 11.5 per cent in volume to 172.5m litres and by 14.3 *per cent in value to* DM 582m (£123m).

The *main* customer for German wine is the UK, which has pushed the U.S. *firmly into* second place in recent years. Sales of white wine, which account for 97.4 per cent of all German wine *exports to the UK* and Ireland, rose by 17.8 per cent to 56m litres in 1980, a third of total white wine exports.

White wine sales to the U.S. and Canada totalled 57.2m litres, an increase of 11.9 per cent. *The other big buyers of* German wine are the Benelux countries and Scandinavia. Together with the UK, Ireland and North America *they account for* some 91 per cent of German white wine exports.

No less than 40 per cent of German white wine exports are sold under the unified "Liebfraumilch" label, which accounted for 70.2m litres last year, compared with 63.4m litres in 1979. Such wines are often blends of products from different German regions and offer foreign buyers the benefit of simplicity. The label is hardly used in West Germany.

Drinkers of German wine under whatever label are facing big price increases this year, largely as a result of the poor *harvest last year* in which the yield in German vineyards fell to around 450m litres compared with 818m litres in 1979. Prices are rising by 15 to 20 per cent in the Federal Republic and 10 to 15 per cent in export markets.

West German wine-makers might be under a cloud of suspicion at home for questionable practices, but they are also *having to fight harder to protect* their products from foreign imitation. Increasingly foreign wines are appearing under *apparently German labels* — complete with gothic script and a picture of the Rhine or Moselle valleys.

In small type on the label it might be revealed that the wine in fact stems from "several member states of the EEC."

The practice is not illegal, but it does little to help the blood pressure of the honest *majority of German wine* producers earning their living in an industry that had a turnover last year estimated at around *DM 2bn.*

Dutch gas talks with Russia deadlocked

By Charles Batchelor in Amsterdam

NEGOTIATIONS between the Dutch banks and the Soviet Union over a Fl 5bn (£965m) financing package for the Netherlands' share in the proposed delivery of Soviet gas to Western Europe have stalled on the question of the interest level.

The credit offer made by the Dutch banks, which are headed by Algemene Bank Nederland and Amsterdam-Rotterdam Bank, has not been accepted by the Soviet negotiators, according to one banker involved in the deal. The expiry date of the protocol drawn up by the banks passed without the Soviet side agreeing to the terms.

The problem has arisen over the Fl 750m part of the credit which is for the banks' own risk. The Netherlands Credit Insurance Company has agreed to insure the interest rate risk attached to 85 per cent of the credit's value, but the remainder is for the banks' own risk.

The banks have agreed to provide 85 per cent of the credit at 7.75 per cent—the *rate demanded by the Soviets* —but the rest would take the form of a rollover credit with a variable rate of interest. *The Soviet Union, however,* wants the entire credit to be at the fixed 7.75 per cent rate. The credit would be for nine *or ten years with a four-year* grace period before repayments start.

The insistence of the Soviets on an interest rate of 7.75 per cent is artificial in the Dutch view, since the real cost will be made up in the *higher price of the equipment* to be supplied.

The Dutch side was keen to play down the extent of the *difficulties which have been* encountered. The delay in agreeing to the protocol is probably standard negoiating procedure, the banking official said.

Gasunie, the Dutch gas distribution company, is keen to take 5bn cubic metres of the 40bn cums which the Soviet Union hopes to export from reserves on the Yamal Peninsula. *This is nearly half* the volume of gas at present imported by the Netherlands, but it is less than 5 per cent *of total annual gas production,* most of which come from the Netherlands' own reserves.

Japan delays pipeline loan

TOKYO—The Export-Import Bank of Japan is still waiting for West European countries to conclude a deal to import Soviet natural gas before going ahead with its plan to supply a loan to finance Japanese steel exports for a $15bn (£6.6bn) pipeline from Western Siberia.

The bank *said it had no* information to confirm a report that West Germany has concluded a contract to export *5.5m tons of steel pipe on a* normal trade basis without waiting for the conclusion of a deal for the Yamburg gas line, *for which negotiations* are deadlocked.

Italy in £40m Tunisia deal

By James Buxton in Rome

SNAMPROGETTI, the engineering subsidiary of Italy's ENI state energy concern, has won a contract worth L100bn (£40m) to build a sugar beet factory in Tunisia.

***It will implement the turnkey project in association* with RMA of West Germany.**

The plant, to be built at *Ben Beshir for the Tunisian* state sugar company, Complexe Sucrier de Tunisie, will be able to process 4,000 *tonnes a day of sugar beet.*

It will also have a yeast-making plant attached which will be able to produce *7.5 tonnes per day.*

UK, Canada in air accord

By Michael Donne, Aerospace Correspondent

A NEW AIR services agreement between the UK and Canada, which will open Western Canadian cities to British Airways, has been signed by the two governments.

British Airways will start services to Vancouver, Calgary and Edmonton on April 23.

In return, Air Canada will get additional rights to fly to points in Europe and beyond. A British airline, yet to be determined, will be able to fly between Hong Kong and Western Canada.

Airbus order

PARIS — China Airlines (CAL) of Taiwan has placed a firm order for a fourth 250-seat Airbus A-300 airliner, according to French bankers. The airline will take delivery of its first $45m airbus in June, 1982, two others in 1983 and the fourth soon afterwards.

Reuter

Euro-Parliament tackles Japan exports problem

BY GILES MERRITT IN BRUSSELS

THE European Parliament is to hold a full-scale debate on Japanese exports in a move that could unblock the impasse between EEC member governments and the European Commission on how best to tackle the problem.

The Euro-Assembly will be voting on a tough new resolution that would in effect give the Brussels Commission a mandate *to negotiate* and police a trade pact with Tokyo aimed at cutting the level of Japanese exports.

Although EEC governments remain crucial to the adoption of any new strategy on trade relations with Japan — and *France and Italy have resisted* that because it involves their dropping quota restrictions that still protect their own motor industries — *the* European Parliament's move is seen in Brussels as important.

The resolution calling for "quantifiable restraints" on Japanese exports to the EEC and threatening "counter-*measures*" against Japan should the restraints not be observed is expected to receive widespread support across the political *spectrum in the* parliament.

European Commission officials believe that the Euro-Assembly's support for a Community strategy *vis à vis* Japan will place pressure on EEC member governments to accept the approach.

Since the strategy was first mooted by the Brussels Commission in early 1980, the EEC's trade deficit with Japan has worsened dramatically.

For the whole of last year the trade gap increased by more *than 80 per cent over 1979 levels* to reach $11bn, but the deadlock between EEC governments and the Commission over the Japan strategy has not been broken.

To demonstrate its own concern with the deteriorating Japan-EEC trade picture, the European Parliament's External Economic Relations Committee, which yesterday set a June date for the plenary debate, has also asked the Commission's legal services to examine ways in which the Community's competition laws could be used to brake Japanese industry's aggressive export drive.

UK move to boost textile trade

BY RHYS DAVID

BRITAIN'S CLOTHING manufacturers are demanding that part of the import quotas to be agreed under the next GATT multi-fibre arrangement should be reserved for their own use.

Manufacturers could then relocate some of their production overseas and keep UK unit *costs down by "average pricing"* their British and overseas goods.

The proposal is contained in a new document produced by the British Clothing Industry Council for Europe (CICE) and follows very closely similar *thinking emerging in a number* of European factories. According to CICE, the advantages of such a system would be *improved competitiveness* for UK producers and participation in the profit made from imports. This in turn could be used to *strengthen the domestic* manufacturing base

The support given by the UK industry for "multi-sourcing" of production represents a significant development of its approach to the problems posed by imports. It is also an attempt to influence thinking on the subject within the EEC Commission which has been showing an increasing interest in this type of arrangement as a means of *resolving some of the* conflict likely to emerge between developed and developing countries when negotiations for the next round of the MFA start later this year.

The Commission has spent a long time trying to draw up regulations covering this trade which already takes place on a limited scale between certain EEC members—notably Germany and the Netherlands—and the EEC Mediterranean associates.

The latest EEC draft suggests a number of forms the trade could take with other low cost suppliers, the underlying premise in each case being that in *return for accepting some loss* of control over import licences —a proportion of which would be held by EEC manufacturers —*exporting* countries could be given more generous overall treatment.

The UK clothing industry along with its European counterparts is concerned that the EEC wants to be too generous, however, and in the proposals published yesterday lays down fairly tight guidelines for multi-sourcing. It suggests that licences for 20 per cent of each garment quota should be reserved for manufacturers who would then apply to use them.

They would only be allowed to import an amount no greater than 30 per cent of their own domestic production. The CICE document also insists that the *trade should* be kept within existing quotas

British train delivered to Hong Kong

BY MAURICE SAMUELSON

THE FIRST three-carriage electric train, part of a £40m order from Britain, has been delivered in Hong Kong.

The whole order, from Metro-Cammel of Birmingham, is for 45 three-carriage sets and was placed by Hong Kong's public works department for the British section of the railway from Kowloon to Canton in mainland China.

Twenty-nine of the trains will operate along the entire length of the railway in the New Territories, the others will be used for inner-surburban service.

Another 20 are expected to be delivered before the end of the year and when the system goes into operation next year travelling time between the Kowloon terminal and Lo Wu, on Hong Kong's border with China, will be cut by half to about 40 minutes.

هكذا من الأصل

Michael Donne analyses the financial challenge of operating a supersonic air service in the light of a report by a Commons committee

Future of Concorde in doubt after rough ride in Westminster

THE HOSTILE tone towards Concorde in the latest report from the Commons Industry and Trade Committee will come as no surprise to British Airways which flies the aircraft between London and New York and Washington.

Although the airline has made a considerable success of the aircraft on the New York route, where it is highly popular with U.S. citizens, it has been unable to make much of a success of it on the Washington route where traffic is much lower, and it has been unable to find any other routes for it so far. The route to Bahrain and Singapore had to be discontinued last year because of heavy losses.

COMPARATIVE COSTS PER PASSENGER OF CONCORDE AND SUBSONIC AIRCRAFT
EXAMPLE: LONDON-NEW YORK
(from British Airways' Budget Plan for 1980/1)

	747-236	707	SSC
	£	£	£
(a) Cost per Seat (£)			
A/c variables	48.9	69.0	207.8
Engineering Base	5.6	17.1	44.2
Flight Deck Crew	2.0	5.7	13.8
Sub Total	56.6	91.8	265.8
A/c Standing Charges	7.5	2.6	6.0
Sub Total	64.0	94.4	271.8
Cabin Crew	2.6	2.9	7.5
Sub Total	66.6	97.3	279.3
Engineering Handling	3.8	5.4	5.4
Traffic Handling	9.1	12.2	15.1
*Passenger Related Costs**	31.9	34.8	92.9
Overheads	3.8	5.2	5.1
Total (excluding Cargo-related Costs)	115.2	154.9	397.8
(b) Seat Factor	71.0	69.4	73.2
(c) Cost per Passenger(£)	162.3	223.0	543.4

* *Airport fees, passenger insurance and commission, catering, sales, reservations and advertising costs.*

Whether the airline will go along with the committee's view that the entire Concorde operation should be abandoned if the Government cannot find someone other than the taxpayer to cover the operating deficits, remains to be seen.

British Airways claims it receives a "halo" effect from flying Concorde—gamesmanship is still rife in the airline business, despite the recession. Probably it would not want to lose its supersonic image if it could be avoided.

But the facts, as outlined in the committee's report, are that British Airways expects its operating costs of Concorde in the next five years to be about £65m-£75m a year.

The airline estimates that its deficit on Concorde operations, after taking account of fares income, will amount to about £6m in 1980-81. This is arrived at after setting losses on the Washington route of £2m and of £8m on the Bahrain and Singapore route (now ended) against a profit of £4m on the New York run.

For the present financial year British Airways expects profits on New York to remain at current levels, while the Washington losses should also be similar to last year's results.

These costs are based on the fact that the largest item in the overall costings is fuel, accounting for 35 per cent of the total in 1980-81 and rising to 37 per cent in 1984-85.

Engineering accounts for an average of about 26 per cent of costs, half of which is spent on materials and outside contracts. Flight and cabin crews represent about 5 per cent.

The remainder of the costs is accounted for by passenger service charges, stations costs, sales and publicity, administration and other charges.

Two changes to improve the performance of the aircraft are being carried out, modifications to the wing and to the upper fuselage at an estimated cost to British Airways of £6m in 1980-81 prices.

The cost of this work is still under negotiation with the manufacturers. British Airways says Air France can pass such costs on to the French Government.

Under its plan for 1981-82, the airline says it will need three operating aircraft, plus one on stand-by—against possibilities of malfunction in any of the other three—with a fifth allocated to maintenance. The airline has six aircraft in its fleet, but the sixth will be undergoing modifications this year.

A seventh aircraft will be available at Filton, the manufacturing base of British Aerospace, after a problem with water in the hydraulic system is overcome.

The airline flies 14 services each way weekly between London and New York, and three a week each way between London and Washington.

While the airline has been looking at future routes, the chances of these occurring are not considered bright.

Many studies have been made, but most recently attention has been focused on the possibility of operations to Jeddah, Kuwait, Lagos and Toronto.

In the event, only Jeddah and Lagos have shown any possibility of covering the cost of operation. The prospects of Jeddah, however—at 1,700 hours flying a year and at four services each way weekly—have diminished because the Saudi Arabian market is now much smaller than earlier expected, and the operation is likely to be opposed by Saudi Arabian Airlines on commercial grounds.

Lagos—1,100 hours a year at three flights a week—depends on the acceptance of a Concorde service by Nigeria Airways. It will be worth re-examining if the availability of the licence is free of any compensation to British Caledonian, which holds the UK subsonic rights on the route.

Miami and Toronto are being re-evaluated, although the latter destination is unlikely to promise viability. The possibility of mounting a trans-Atlantic express parcels operation, in conjunction with the U.S. company, Federal Express, is being studied.

Fleet utilisation varies from 7.8 hours to 6.1 hours daily for each aircraft operating. But when spread over the total fleet, it comes down to only 2.6 hours a day per aircraft.

British Airways' Concorde Forecast Expenditure + 1980/81 Price Levels

	1980/81 £m	1980/81 % of total	1982/83 £m	1982/83 % of total	1984/85 £m	1984/85 % of total
Aircraft Standing Charges	1.3	1.7	1.4	2.0	1.6	2.1
Modifications	0.9	1.2	1.9†	2.8	0.2	0.3
Aircraft Maintenance (Excluding Modifications)	17.8	23.6	14.3	21.0	19.3*	25.7
Fuel and Oil	26.2	34.8	24.2	35.5	27.5	36.6
Flight Operations (Exluding Fuel and Oil)	6.0	8.0	4.9	7.2	4.9	6.5
Passenger Service	6.0	8.0	5.7	8.3	5.7	7.6
Station Costs	3.6	4.8	3.5	5.1	3.5	4.7
Sales and Publicity	12.3	16.4	11.5	16.8	11.5	15.3
Administration	1.1	1.5	0.9	1.3	0.9	1.2
TOTAL	75.2	100.0	68.3	100.0	75.1	100.0

* Major overhaul due in 1984/85. † Spar Cap and Crown Modification.
Fuel prices increase at +5% per annum in real terms, other costs inputs at constant real terms.

These figures are described by British Airways as low by comparison with other long-haul aircraft in its fleet "and contribute to Concorde's very high levels of cost, even though depreciation costs are not applicable."

The absence of depreciation costs is because some time ago the £160m capital cost of acquiring the Concordes was written off by the Government, releasing the airline from the burden of interest on that debt.

British Airways says the policy of charging passengers a 20 per cent surcharge over normal subsonic first-class fares is likely to continue.

"Because of the relatively higher percentage of total costs represented by fuel, Concorde fares need a relatively higher increase than subsonic fares when fuel prices increase," it explains.

"None the less, margins above subsonic first-class fares of much more than 20 per cent are estimated to have harmful effects on the traffic that can be attracted to the Concorde."

An analysis of passengers using Concorde shows that the biggest single source of origin is the U.S., with 44 per cent of passengers on the New York services, and 60 per cent on the Washington services. By comparison, 37 per cent of the New York travellers and 25 per cent of Washington passengers are of UK origin.

The majority of passengers—85 per cent—are business travellers, and at least half of them are on fast trips, staying four nights or less in either the U.S. or UK.

Executive recruitment may herald economic recovery

BY MAURICE SAMUELSON

EXECUTIVE recruitment in the UK is showing the first real upswing for three years and may be an early sign of economic recovery, says MSL, the international management consultants.

The 14 per cent rise in executive demand in the first quarter of 1981 is shown in the MSL Index, which measures employers' demand for managers, senior professional and technical staff as shown by executive jobs advertised in selected British newspapers.

"This could mean that a more general economic recovery will become evident over the next few months, as employers tend to recruit managers and senior staff ahead of actual business expansion," MSL said yesterday.

Mr. Garry Long, MSL's managing director, said "seasonal fluctuations would normally be expected to show an improvement in the first quarter of the year, but not to the present extent."

He saw significance in the 18 per cent rise in demand for sales and marketing executives compared with the last three months of 1980. This category was the first to respond to an upturn in executive recruitment and "a very strong indicator of a forthcoming general rise in economic activity in the months ahead."

So far the index was conforming closely to its pattern in the past 20 years. Clear signs of economic recovery should be visible by the end of this year and during 1982, he said.

Demand for general management executives had risen by 34 per cent in the first quarter of this year compared with the final quarter of last year. Accounting appointments rose 27 per cent in the same period and other category demand rose between 5 and 10 per cent. But personnel appointments continued to fall, showing a drop of more than 17 per cent.

Govan in early handover

BY MARK MEREDITH

A BULK CARRIER of 26,000 tonnes was yesterday handed over by Govan Shipbuilders, Glasgow, six weeks ahead of schedule. Delivery of the Lord Curzon, to Bishopsgate Marine, comes when Govan management is cautiously optimistic about the order-book for the coming year.

Govan, now the centre for merchant shipbuilding on the Clyde, is working on two 66,000-tonne carriers — the largest ships ever produced by the yard. The two vessels are for C. Y. Tong.

Govan is also re-engining two ships for OCL. This involves removing steam turbines and replacing them with more efficient diesel engines.

Union officials at Govan, which employs 3,000 workers, report that British Shipbuilders has only asked for two compulsory redundancies at the yard as part of the 628 required by the corporation to reduce losses. Govan last year reported a £17m loss, but its managers expect an improvement in its forthcoming annual report.

The Confederation of Shipbuilding and Engineering Unions recently decided to fight the redundancies.

Yesterday's naming ceremony took place at Scotstoun Marine on the south bank of the Clyde. The yard's berth is still used for mooring during completion of the final stages of fitting-out. However, despite its modernisation, Scotstoun has been virtually shut down and most of its 1,100 workforce transferred to Govan.

Camden case adjourned

LEGAL PROCEEDINGS by the London Borough of Camden and 30 Labour councillors to strike out an action brought against them by the Camden Ratepayers Association were adjourned in the High Court yesterday.

The association alleges that the council's policies have resulted in "wasteful," inefficent and extravagant handling of ratepayers' monies over a long period of time."

It claims that the councillors have acted in breach of duty to the ratepayers as well as the council. It seeks a declaration that the council is a trustee for the ratepayers in respect of monies collected from the supplementary rate of 6p levied for the period December 6, 1980, to March 31, 1981.

The councillors are asking the court to strike out the association's claim on the ground that it has no reasonable cause of action, or that it is "scandalous, frivolous or vexatious."

Their main argument, which will be tried as a preliminary point, is that the ratepayers have no legal standing to bring the action.

Italian jar fetches £56,000

BY ANTHONY THORNCROFT

A FLORENTINE "oak leaf" jar made for the pharmacy of the Hospital of Santa Maria Nuova in Florence by the Giunta di Tugio workshop around 1431 sold for £56,000 at Sotheby's yesterday in an auction of Italian maiolica. The buyer, Zietz, will have to pay an extra 11.5 per cent in premium and VAT.

The sale totalled £147,660. Other high prices were the £12,000 for a Hispano Moresque albarello of the late 15th century, £9,500 for a Gubbio lustred Tondino of about 1530, and £8,000 for a Faenz albarello of about 1480.

At Christie's a pair of Kakiemon octagonal bottles made in the second half of the 17th century sold for £15,000 in a sale of Japanese works of art.

On Monday night, Sotheby's held an auction at Scone Palace, Perth which totalled £180,884. The top prices were the £7,000 paid for Machrihanish Bay painted in 1898 by William MacTaggart and the same sum for The Pedlar by Thomas Faed.

UK NEWS

Lambeth leaders urge Heseltine to give funds for Brixton

BY ALAN PIKE

LAMBETH borough council leaders urged Mr. Michael Heseltine, Environment Secretary, yesterday to provide extra funds to tackle social problems *in Brixton, South London.*

Mr. Heseltine told Mr. Ted Knight, council leader, that the Government could not anticipate the outcome of Lord Scarman's inquiry into the weekend riots.

Officials of the council and the Environment Department will continue meeting to review the issue.

At the two-hour meeting, attended by Sir Horace Cutler, Greater London Council leader, Mr. Heseltine said claims for damage would be handled through the Metropolitan Police Receiver. There is a 14-day limit on lodging claims, and the local authority will make urgent efforts to bring this to the attention of residents.

Most of the damage was to commercial and industrial premises, salthough some home were hit. No final figure has been put on the cost of repairs, although some estimates suggest it could be about £10m.

It appeared possible yesterday that the rally planned for Sunday by the recently-formed Brixton Defence Committee may be called off.

Committee leaders discussed their plans with senior police officers amid fears that the rally could become a focus for further disturbances. The committee is meeting today and is expected to decide about its plans.

Lord Scarman said yesterday he had walked around Brixton's streets on Monday after the announcement that he is to conduct the inquiry. He said on BBC Radio he could not be expected to do the work of Parliament, which was concerned with social, economic and political questions. He was concerned with "the whole complex of matters which lie behind the question of successful policing."

Violent outbursts were occuring in a number of Western Metropolitan areas. "Being black is merely an accident as, perhaps, religion is an accident in Northern Ireland." He would treat the inquiry with urgency and put aside all other judicial business.

● Residents in streets affected by the rioting have been advised to boil all drinking water.

Dr. Edward Simon, Lambeth Council's senior medical officer for environmental health in Brixton, said that there was a real danger of outbreak of diseases.

About 20 buildings, including pubs, shops and homes, were burnt down or severely damaged. Water pipes were still running yesterday. In some places sewage pipes had been damaged by falling buildings.

Stocks of food and barrels of beer *still lie under the rubble.* Dr. Simon advised people to protect food from cockroaches, rats and mice.

Thatcher rejects wider terms, Page 12

City to encourage data systems

BY ANDREW FISHER

A PRESSURE group has been formed to try to ensure that the City of London, which earns some £2bn a year in foreign income, does *not* lag behind in the information technology race.

Its job will be to work out the City's future telecommunications needs and keep in close touch with British Telecom on new developments and equipment.

Called the Standing Committee of the City Liaison Committee on information technology, it will be chaired by Mr. Timothy Bevan, deputy chair*man of Barclays Bank.*

At the same time, British Telecom yesterday produced figures showing a rapid improvement from the sort of performance that was drawing protests from City organisations last year.

Sir George Jefferson, British Telecom's chairman, said the waiting time for extensions and exchange lines in the City was now down to only a few weeks compared with up to 12 months last year.

By next January, there should be no waiting at all. Short-distance private circuits were now being provided in two months compared with up to a *year previously,* he added. Part of British Telecom's delays stemmed from two major strikes in the late 1970s. It also underestimated the growth in demand. Although it has introduced a *number of management changes* in the City area to meet the backlog, it has also been helped by the recession which has cut demand.

Connection times for international private circuits had fallen from 18 months to 13 weeks, which Sir George said was better than New York or Tokyo, too, will be available on demand next year.

He also reported considerable *reductions in time taken for* telexes and large switchboards to be installed.

Electronics industry sets targets

BY JASON CRISP

A WIDE range of industrial policies for the electronics industry with considerable government involvement has been drawn up by a specialist committee of the National Economic Development Office.

The Electronics Economic Development Committee, which was re-formed with considerable backing from industry and unions last year, has drawn up a list of policies which it believes will give the UK a share of the fast-growing electronics and information technology industrial sectors.

The Government has a major role to play in the development of the UK electronics industry, it says. The electronics little Neddy has told Mr. Kenneth Baker, Minister for Industry with special responsibility for information technology, that the Government must help the electronics industry make longer-term plans if the industry is to survive.

On purchasing, the committee warns that short term "good value for money" purchasing may not be in the interests of the electronics industry and ultimately not in the interests of the taxpayer. The committee also criticises what it considers to be the lack of continuity in public purchasing and a major hinderance to the long term interests of the electronics industry.

It also points out that new technologies could be brought into production more quickly if the public sector could provide a market to help manufacturers build up sufficient production volume.

The committee wants the Government to review competition policy which, it believes, restricts companies from the necessary collaboration which is needed within the industry to compete in world markets.

The electronics EDC also *wants to see technical standards* being monitored to give industry protection from *de facto* standards imposed by foreign companies through commercial stsength.

'Tough fight ahead' in videotext sales

BY ELAINE WILLIAMS

A WARNING that time was not on Britain's side in selling videotext information systems overseas was given yesterday by Mr. Kenneth Baker, Minister for Information Technology.

Mr. Baker said that the UK would have to fight hard against competition from Canadian and French systems to make the most of opportunities which are opening for videotext, especially in the U.S.

Videotext covers two basic information systems—teletext and viewdata—which are displayed on an ordinary television set. Viewdata links a television to a vast amount of information stored on computer via a public telephone line. The UK public service, Prestel, was developed by British Telecom in 1972.

Teletext is a more restricted information system broadcast to the television, but it uses similar technology to that of viewdata.

Recently, the Government provided £500,000 towards British Videotext, a new company intended to promote such systems in the U.S. British Telecom and Logica, the software systems company, also contributed £500,000 each.

Despite numerous trials and *the use of teletext and viewdata* systems already in Europe, Australia, Hong Kong and, shortly, Malaysia, the U.S. has been very slow to take up the idea.

Mr. Baker said that the slow growth of videotext in the U.S. was due to confusion over which type of organisations could run such systems *commercially. He* said that newspapers and publishing companies were becoming aware of the potential, and so were subscription television companies.

Last week, a teletext experiment started in Chicago based on the British design. It is run by the broadcasting station WFLD-TV, part of Field Enterprises, to provide an electronic *newspaper. News can be picked* up on about 100 television sets in public places such as hospitals and shopping centres.

Fears of differing area health standards

By Gareth Griffiths

THE ABOLITION of area *health authorities next April,* and the reorganisation of the National Health Service, could lead to greater differences in health care standards throughout the *country,* the British Medical Association said yesterday.

The BMA is trying to make its members aware of the impact of next year's NHS reorganisation and is worried *about reorganisation* by stealth. It wants doctors to help decide which scheme the new district health authorities choose.

District health authorities are to *get budgetary powers* and negotiate pay locally. The BMA believes this will increase regional differences.

A survey of pay awards already made by health *authorities showed* that general practitioners received three times as much pay for part time work in cottage hospitals in Powys in mid-Wales as their colleagues got for *the same work in* neighbouring Shropshire.

The BMA is concerned that poorer areas might have to pay doctors more to persuade them to work in areas they *might otherwise not wish to* bring up their families in.

Dr. John Harvard, the BMA secretary, said the reorganisation of the NHS had important implications for doctors. The *dismantling of a whole tier of* the service and the revolution of desicions on budgeting to the authorities and even smaller units of management within districts, could increase the involvement of doctors and nurses in the decisions on how limited health service resources are spent.

The BMA has not decided which of the options it prefers, but is firmly against the present system of allocating resources which it sees as weighted towards administrators rather than medical staff.

Inflation optimism

BRITAIN should be able to avoid a surge of inflation despite the rapid increase in M-3 money supply over the past year, according to Dr. Johannes Witteveen, a former managing director of the International Monetary Fund.

He said pressures on the British economy were now *very strong* indeed. There were clear signs of a deceleration in the rate of wage and price increases, and productivity was going up.

Dr. Witteveen was speaking as *chairman of the Group of 30,* a private organisation of leading economists which has just ended a two-day conference on world economic affairs in Frankfurt.

***While asserting a degree of* optimism about the UK inflation picture, he said it was important for the Government to hold wage costs down in the public sector.**

Monetary policy alone is not sufficient to fight inflation. *It must be* accompanied by fiscal restraint and the implementation of some form of wages policy.

A statement by the Group of 30 following its Frankfurt meeting said industrial countries must continue to vigorously fight inflation if they are to restore an economic climate conducive to efficiency and growth and are to maintain political stability.

More drinkers

MORE PEOPLE in Britain are drinking alcohol according to the latest Alcoholic Drink Survey conducted by NOP Market Research.

The survey shows the number of those claiming *never to drink alcohol has* dropped from 9 per cent to 7 per cent over the last year—about one million people.

Some 67 per cent of Scots questioned about their drinking sai dthey never touched whisky. Half of those who did drink whisky admitted they idluted it with lemonade.

Beer is the most popular drink, although wine has moved into second place with *61 per cent of the population* drinking it at some time.

Over half the population claim to drink once a week or more, with one in five drinking only at Christmas or on special occasions.

Aid for Corby

TWO COMPANIES are to share a £240,000 training *grant that will help reduce* the high unemployment rate in the steel town of Corby.

Since steelmaking closed there last year, the local unemployment rate has soared to more than 22 per cent.

Snack food manufacturer Cenbake and motor component makers Mokes are the first companies to receive money *under* a *joint* EEC social fund and BSC industry scheme.

The grant, aimed at encouraging new industry in depressed steel areas, will *enable the two companies to* take on another 400 employees between them.

Private sector fears 'privatisation'

ALAN PIKE reports on behind the scenes concern about the Phoenix 2 talks to rationalise engineering and steel production.

WORKERS from Hadfields, the Sheffield steel company, travelled to London yesterday to tell MPs that Government plans to "privatise" the steel industry will kill the private sector. It is a view with which their employers are inclined to agree.

Government attempts to encoprage joint ventures between the British Steel Corporation and private steelmakers have generated predictable concern among some trade unionists and MPs. They fear it could dilute the industry's 1967 nationalisation.

Their voices have been drowned by others who fear greater British Steel dominance and reduced customer choice are more likely.

Officially all parties in the efforts of recent months to rationalise engineering steel production—the Phoenix 2 project—will say little more than that talks are continuing. Behind the scenes the prospec*tive partners in the privatisa*tion project exchange allegations as ugly as the word.

The Hadfields workers told MPs they were convinced British Steel was demanding their company's closure as part of its price for committing publicly owned assets to Phoenix 2.

Mr. Derek Norton, chairman of Hadfields—part of Lonrho—says the company would "fight like hell" any attempt to force it to close its two Sheffield plants.

There is serious overcapacity in engineering steels and rationalisation must almost certainly mean closure somewhere.

Most obviously, the 2,600 Hadfields workers are fighting for their jobs. If Hadfields had to close, however, they would prefer it to happen after a British Steel takeover.

The thousands of British Steel workers who have lost their jobs since the end of 1979 gained some consolation from greatly increased redundancy payments.

If Hadfields closed before any agreement with British Steel, the workers would have little chance of gaining similar terms.

This angers workers at private steel companies such as Hadfields. In spite of official *denials, they believe British* Steel's heavily subsidised, competitive pricing policy is helping to force the private sector under.

Mr. Don Ramage, General and Municipal Workers Union convener at Hadfields, said: "We have got to persuade customers that, if they do not stand by the private sector now BSC is going to control the market still more and they will not like what that does to the industry."

The major companies in the Phoenix 2 talks with British Steel—apart from Hadfields—are Round Oak, Duport and GKN. Their present positions are:

Hadfields: Worried about the delay in concluding *negotiations* and about British Steel's pricing policies. It says it may continue to compete with British Steel outside any Phoenix 2 project if the terms are not right.

***Round Oak:** Jointly owned by* British Steel and Tube Investments. Negotiations are not complete, but agreement is believed near on terms for British Steel buying out Tube *Investment's* 50 per cent share. This would mean a partial closure of Round Oak's West Midlands works, although some facilities—such as its modern continuous casting and ladle steelmaking — would be retained.

Duport: Since the Phoenix 2 talks started, Duport's financial problems led to the closing of its modern steelmaking facilities at Llanelli. Its other steel operations came under British Steel's wing. The Llanelli closure is the first move towards capacity reduction under Phoenix 2 rationalisation.

GKN: Recently set up Allied *Steel and Wire, a joint company* with British Steel, which will rationalise production in the wire rod and bar sectors (the *project previously codenamed* Phoenix 1). GKN is having talks with British Steel on Phoenix 2 but it is not known whether its Brymbo works at Wrexham — which meets the company's own engineering steel needs — will be committed to the project.

The British Independent Steel Producers Association calculates that about 20 per cent of British Steel business overlaps with the private sector in:

Semi-finished steel for rerolling and forging; heavy forgings; tubes; cold-rolled narrow strip; hot-rolled bars and light sections; wire rod and coiled bars; reinforcing bars and rods; stainless bars and wire; tool steel.

The overlap in wire rod and reinforcement was reduced by the creation of Allied Steel and Wire, but not eliminated. Companies such as Manchester Steel—which has refused to become involved in talks on joint ventures—are still competing.

The association is prepared to support such joint ventures provided they are run eventually as private companies without continuing recourse to public funds.

It has told the Government that where there are prolonged negotiations—as on Phoenix 2—the State should provide some direct support to prevent the possible financial collapse of *private companies. Otherwise,* negotiations could be prejudiced, or useful productive assets lost by bankruptcy.

Government amending Steel Bill to foster competition

BY ALAN PIKE

THE GOVERNMENT, under pressure from its back-benches, yesterday agreed to amend the Steel Bill to help provide clearer information about competition between the British Steel Corporation and the industry's private sector.

Mr. Norman Tebbit, the Industry Minister, agreed during the Bill's committee stage yesterday that the Government would introduce an amendment *to ensure that BSC's activities* became "more transparent" in areas where it overlapped with the private sector.

Conservative members of the committee have been insisting on legislation to compel BSC to re-organise its activities into separate companies in overlap areas. While they would remain under total BSC control, they would have their own directors and publish independent accounts.

One aim of the proposal is to make it easier to establish *whether allegations that the* corporation uses its subsidised position to compete unfairly against the private sector are justified. It would also make it theoretically easier to de-nationalise parts of BSC.

The corporation has already decided, on its own initiative, to reorganise its Stanton and *Staveley pipeworks and British* Steel Service Centres — its stockholding arm—as separate companies. Last month's decision to reorganise British Steel Service Centres came after *strong complaints of unfair* competition from private stockholders.

Mr. Richard Shepherd, MP for Aldridge Brownhills, *told* the committee: "We must show that the private sector is not being put out of business by the public sector on the basis of the availability of public funds."

Having successfully pressed the Government to amend the Bill, Conservative back-benchers will look for prompt action to ensure that the corporation *acts swiftly to reorganise its activities.*

Parliament, Page 12

Guardian seeks to cut manning

BY JOHN LLOYD, LABOUR CORRESPONDENT

THE GUARDIAN has begun talks with its trade unions in an attempt to bring down manning levels in the face of a projected loss by its publisher of £1.2m in the current financial year.

The Guardian is projected to lose £3.5m, but the other activities of the group—which include the Manchester Evening News and a number of provincial papers—are expected to make a profit of £2.3m.

Over the past year, the group has made a profit of £300,000—but The Guardian made a loss of £3m.

The newspaper told the general secretaries of the print unions at a meeting last week that it could afford a wage rise no higher than 7 per cent, and that it was looking for the retirement of some 20 print workers over the age of 65 and the voluntary redundancy of a further 14 workers.

It withdrew from the wage talks between the Newspaper Proprietors' Association and the print unions after the NPA's offer rose above 6 per cent. It has told the unions that it gave serious consideration to making no wage offer, but decided on the seven per cent offer instead.

The redundancy terms offered are four weeks wages a year for all printers over 21, with a minimum of 26 weeks' payment and a maximum of 52. This would mean severance payments at the top end of upwards of £15,000.

The newspaper's circulation continues to rise. The March figure expected to be over 400,000. However, like all national newspapers, it has suffered from a loss of advertising revenue and steeply rising costs.

The trade union officials will meet management again next Thursday. The unions are likely to be sympathetic to The Guardian's position, both because it is lacking the resources of a large company

Jetty planned for Windscale deliveries

BY DAVID FISHLOCK, SCIENCE EDITOR

WINDSCALE MAY build a jetty to allow the offloading of very large sections of chemical plant for the £800m reprocessing facility for which it won planning permission at a public inquiry in 1977.

Such a jetty would permit the prefabrication of far larger sections of chemical plant than could be delivered to Windscale by road or rail.

The scheme was disclosed in a letter sent on Monday to the local liaison committee and local authorities by British Nuclear Fuels (BNF), which own the Windscale factory.

In it, Mr. Harold Bolter, BNF's company secretary, said the study would "take into account possible effects on the environment, and there will be discussions with interested local and national bodies."

The company emphasises that the jetty would be to assist the construction of its thermal oxide reprocessing plant (THORP) and not to bring spent nuclear fuel to the site.

*Present ideas for the construc*tion of THORP envisage sections weighing up to 600 tonnes, up to 7,000 cubic metres in volume.

Such sections, prefabricated of concrete and steel by techniques perfected in the offshore hydrocarbon suppliers industry, would form modules of the long chemical reprocessing plant.

THORP would be built within about half a mile of the proposed jetty on the 485-acre nuclear site.

"People won't thank us for trying to bring things of this size up by road," BNFL said last night.

It is making a feasibility study of the scheme.

The company hopes to start construction of THORP—the biggest single investment in a £2bn programme at Windscale —in 1982, and complete it in the late 1980s.

Fuel for reprocessing in THORP is already being imported from Japan and European countries for storage until it is ready. I9t is arriving by sea at Barrow, where BNFL has permission to build facilities to store the fuel flasks.

The fuel flasks are sent by rail to the Windscale site for storage in concrete pounds.

Greenpeace, an environment presssure group opposed to the movement of spent nuclear fuel, is calling for a public inquiry into BNFL plans for a fuel compound at Barrow.

If a jetty is constructed at Windscale, it may be possible to deliver fuel directly to the factory, avoiding the journey by rail.

Why London's underground broke down

BY LYNTON McLAIN, TRANSPORT CORRESPONDENT

A SINGLE operator was almost certainly the cause of the breakdown of the power supply to the *London underground train* system on Monday.

Thousands of passengers were stranded on trains at 3.55 pm as the evening rush hour approached.

*London Transport's investiga*tion started as soon as the power failed, showed that the gas supply to the boilers at its main power station in Lots Road, Chelsea, stopped after a cut-off *system came into operation.* This happened after an operator pressed an emergency button. London Transport said yesterday that this button should not have been pressed.

No reason was given for the operator having pressed the button, but the circumstances are now being investigated, London Transport stated.

Electricity generation by the *180 megawatt power station at* Lots Road stopped completely as soon as the gas supply was cut off.

London Transport also owns a smaller, 118 MW power sta*tion at Greenwich.* This was running on "stand-by" when Lots Road station broke down, but was unable to cope with the sudden demand for power. It too broke down or was "tripped *out" and disconnected from the* power-using tube trains, London Transport said.

London Transport has no general connection between its train services and the national *electricity grid operated by* regional electricity Boards, for use in emergencies.

However, four tube train lines are connected in part to the national grid. These are the *Metropolitan Line* and the Jubilee Line north of Wembley Park station; the District Line east of Bromley and the Northern Line north of East Finchley.

For a time on Monday these tube trains, operating on the surface continued to run independently of the Lots Road and Greenwich power stations. But eventually, they too were affected by the power breakdown as they entered sections of track not covered by the national grid.

Emergency lighting for stations is also connected to the national grid. But London Transport said it had no plans for connecting more of the tube network to the grid.

One of the problems which made matters worse for passengers on Monday was the inability of the Greenwich power station suddenly to take on the load created by the breakdown of the Lots Road generator. Greenwich was only tick*ing over when the gas was cut* off at Lots Road.

Only if Greenwich had been operating at full capacity would it have had any chance of taking over a high proportion of the *load which was dumped by Lots* Road station when the cut came.

But LT deliberately does not operate Greenwich at full load when Lots Road is operating normally because the combined power output would be too great for the underground train network to absorb.

This arrangement results in the loss of a true stand-by facility at Greenwich. Nevertheless, London Transport has rejected the idea of linking its power stations up to the national grid and putting spare transport network power into the grid at charges to be negotiated with the regional electricity boards.

Warning of mortgage shortage

By Andrew Taylor

GOVERNMENT ATTEMPTS to raise more funds from the personal savings sectors could lead to shortages of mortgage money and keep home loan rates higher than might otherwise be the case, says the *Leicester Building Society.*

Mr. Gerald L. Aspel, Leicester's chairman, told shareholders at the society's annual meeting that the Government's latest *assault* on the personal saving market had coincided with a significant increase in mortgage demand.

He said the Government's aim in seeking to raise increased funds from personal savers was to reduce pressure on the capital markets. "But we need those same funds to meet mortgage demand.

"In the weeks since the Budget we have seen a significant increase in mortgage demand which, in the short term *we can meet from our* own resoudrces. In the longer term building societies will be forced to respond to higher hom loan demand by paying investors — and charging borrowers—relatively *higher* interest rates."

Mr. Aspell said that in the first three months of this year Leicester had made home loans of £73.3m to 6,848 people. This compared with loans of £57.5m to 6,257 people in the first three months of 1980.

Several leading building societies have warned the Government that *mortgage* rates might have to be kept higher if their own funds become depleted as a result of the Government's fund raising.

Last month *building society* receipts fell to their lowest level for nine months. Net receipts in March were £269m against £366m in February.

The lower level of receipts reflected the *impact* of increasing competition for funds and the rise in consumer spending which coincided with last month's Budget. It is thought that building society *receipts* in April may fall below £150m.

The biggest problem is increased competition from National Savings. Societies are losing cash as investors take advantage of the last few weeks of the successful 19th issue of National Savings which is to be replaced on May 9 by a less attractive issue.

At the same time societies are concerned about the impact of lowering the age threshold for index-linked granny bonds from 65 to 50 this month. About 65 per cent of building society capital comes from investors over 50.

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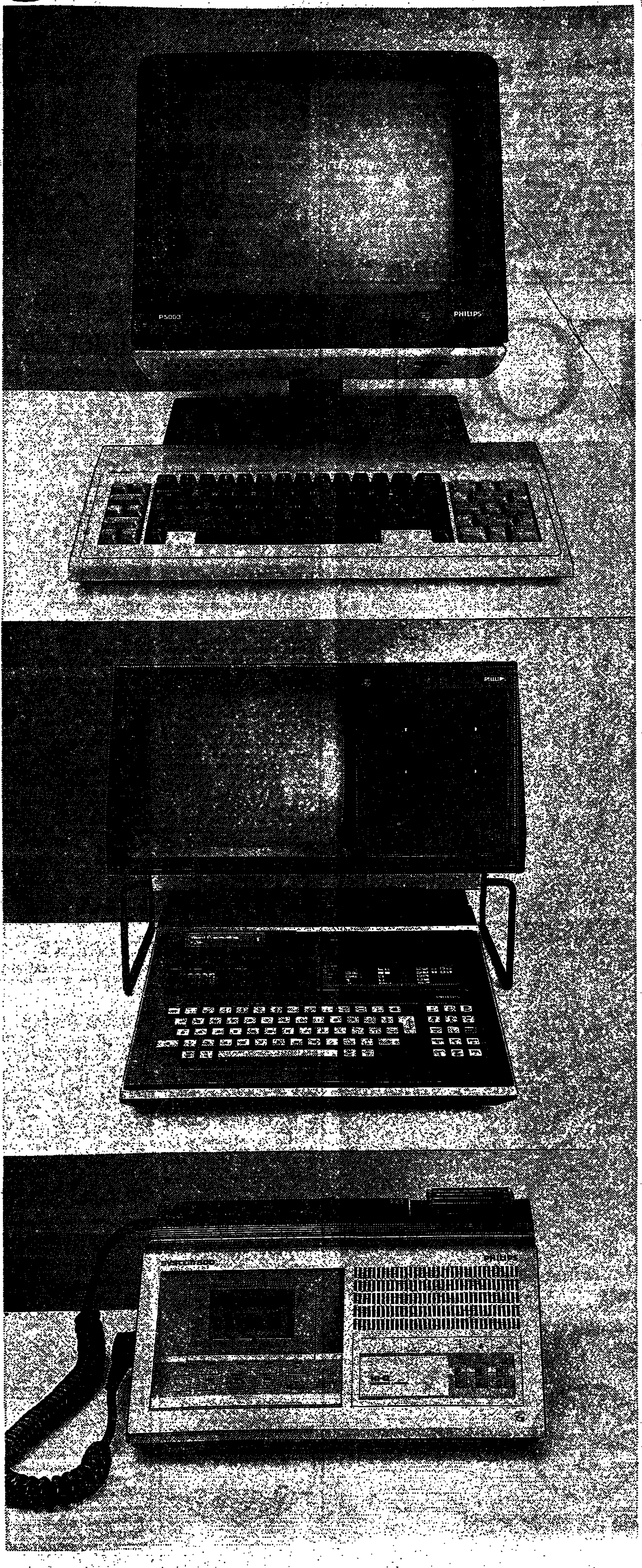

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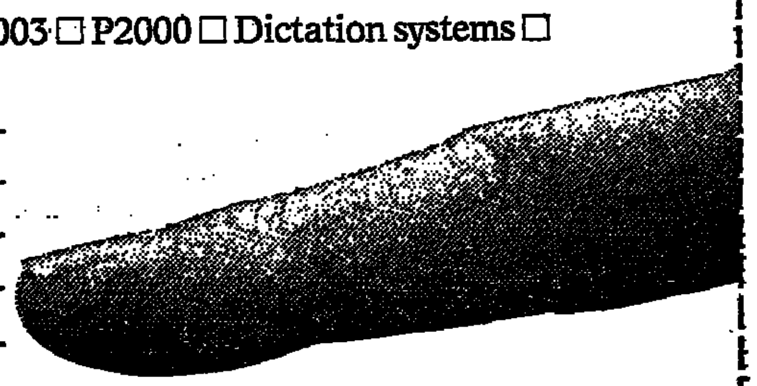

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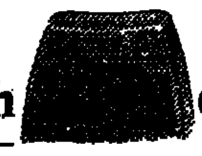
Help at the touch  of a button.

Technical Page

EDITED BY ARTHUR BENNETT AND ALAN CANE

Measuring to less than a hair's breadth

NEW concepts of accuracy have been built into a special measuring machine developed by the LK Tool group at a cost of £250,000 for Westinghouse Corporation of the U.S. It will be installed in a purpose-built, environmentally controlled building and isolated from the slightest ground tremors.

The four-axes machine has a granite base and weighs some 10 tonnes. It will measure machined metal components up to three cubic metres in overall size to a tenth of a micron (a human hair is about 40 microns).

This order of accuracy has demanded a number of novel features said to be in use for the first time in this type of application. For instance, every moving part has a complementary counterbalance so that forces applied to the bearings of the structure remain constant.

The machine has been built to Westinghouse specifications and LT Tool, which has its headquarters at East Midlands Airport, Castle Donington, Derby (0332 811349), was the successful bidder from only some half-a-dozen companies in the world capable of making such a high precision machine.

PETER CARTWRIGHT

Office automation guide

URWICK NEXOS, the office education company set up between the consultancy Urwick Dynamics and Nexos, the NEB-backed office equipment organisation, has published a product guide to office automation.

With chapers entitled *Voice Communications, Meetings and Communication of Hard Copy*, it defines most of the components of the electronic office and gives examples of hardware on the market. It costs £5.95.

The company also plans to publish a series of practical guides for management under the generic heading *Managing Office Automation* including titles like *Choosing word processing staff* and *New Technology Agreements*.

It costs £120 for 10 reports, or £15 each. More from Urwick Nexos on 02814 5123.

How to store ½m pages of the *FT*

BY ALAN CANE

TRADITIONALLY, holders of the middle ground, minicomputer manufacturers are looking to the top and the bottom end of the computer power spectrum for new triumphs.

Yesterday, Tandem, a U.S. company which has carved out a high reputation for itself in a remarkably short time with systems which it claims never stop running, announced a new, very powerful system for the large user.

A fully expanded version of the NonStop II, as it is called, can support up to 16bn bytes of virtual memory (which should be enough to store around 500,000 pages of the *Financial Times*).

The full system, with up to 16 processors linked together could allow several thousand terminals to operate simultaneously. Prices for the NonStop II start at about £200,000.

Meanwhile, Digital Equipment (DEC), the U.S. company which pioneered the minicomputer and which has already launched its own offering at the top end of the market, the VAX, last month announced one of the cheapest machines in its range, the PDP11/24 costing from £6,500.

The new machine, says DEC, is a general purpose mini with four times the memory expansion of the PDP11/34A at up to 30 per cent less cost. In other words, the new machine represents the inexorable trend towards more computing power at lower prices.

Tandem has never made a virtue of low costs. Its success is based on a guarantee that its machines will never leave its users in the lurch through breakdown.

Of course, Tandem machines break down like any other computers but all the essential components—the processors, stores and data paths are all duplicated; hence Tandem.

It is a formula which has led to spectacular growth. The company's turnover increased by 130 per cent in 1979 and then by 95 per cent last year to total US$108m.

Tandem has some 320 customers in the U.S. and 21 in the UK including some prestigious Government sites such as GCHQ Cheltenham.

Mr. John Louth, managing director of Tandem UK, emphasised that the new system is fully compatible with the existing NonStop machinery.

He said that the chief advantages in the new system lay in the very large applications and communications capability, and in its serviceability.

There is an independent processor provided in a separate console with each system which acts as the system policeman. Information about the health of the entire system is relayed and displayed by this processor. The operator can use the console to diagnose hardware and software problems.

New instructions can be added to the system's instruction set through a loadable control store, without lengthy interruption of normal working.

Tandem is on 01-841 7381; DEC on 0734 583555.

Lasers move into the six-inch pipeline

TWO NEW LASER devices for the construction industry have been introduced by British companies. The Gradomat 9, made by Hall and Watts (0782 332717), is small enough to be set inside a 6-in pipe and has a self-levelling range of plus or minus 7 per cent in the grade axis and plus or minus 3 per cent in the cross axis. A winking laser beam indicates if the instrument has been jarred out of level in either direction.

The controls are situated at the back of the unit for easy use. A green light-emitting diode indicates when the beam is in the mid-range of its 8 degrees of remote azimuth control. The unit is claimed to be robust and completely waterproof. With removable handles and legs, it can be used inside a pipe, at the end of a pipe, or mounted on a tripod.

The other laser device, marketed by A. P. Skelton (0582 840681), is of U.S. origin. It is designed to reduce the vertical alignment time when locating, laying out and marking the position of high-level pipe hangers and suspension points before ducting, piping or other equipment can be installed.

Named the Plumb-Lite, it is claimed to eliminate the conventional procedure for transferring reference marks from the floor, using scaffolding or ladders to reach the points above.

Instead, says Skelton, a single operator can make the vertical transference quickly and accurately. The laser emits only visible red light, with no harmful radiation. The heart of the device is a low-power laser, mounted in a gimbal, which projects the two reference beams of red coherent light upwards and downwards.

Once the reference points have been marked on the floor they are transferred to corresponding points above by directing the downward beam on to the floor mark. The upward projecting beam shows as a spot of red light indicating the exact spot required.

An extendable marker device, adjustable to any required height by means of a lever at the lower end, marks the spot indicated by the beam. On the upper end of the marker is a spring-operated inked pad which can be pressed against the ceiling, beam or other structure on which the suspension points are to be indicated.

Call for more UK robots

BRITISH MANUFACTURING industry should start to populate its factories with robots irrespective of country of origin. If it waits for the UK to research and develop a new generation of robots, it may be too late.

This was the main message from the British Robot Association, in London this week, as it opened a special exhibition at the House of Commons.

The BRA has produced a brochure, Robots: Friend or Foe,? which it intends to send to 10,000 company managers in an attempt to convince them of the benefits of adding robots to their workforce.

The present robot population of the UK, according to the BRA, is about 370. While it is difficult to estimate the numbers in the U.S. and Japan, because of difficulties in defining exactly what is meant by a robot, it is likely that there are at least 10 times more in each of these countries.

According to the BRA, there is also much greater willingness to experiment to see how robots can best be used.

The brochure gives details of robot-based processes in Cummins Engine, ICI Plastics, J. C. Bamford, and R. A. Lister.

It is available from the BRA at 35/39, High Street, Kempston, Bedford MK42 7BT, tel. 0234 853605.

Cryogenics for cleaning

THE SCIENCE of cryogenics (the study of materials at very low temperatures) is applied in a new technique for cleaning floors and roads introduced by Parfloor (051-327 5611).

Instead of burning off worn and polluted surfaces, the process super-freezes the area to be treated with liquid hydrogen. Its possible applications, says Parfloor, include cleaning, preparing and texturing industrial floors, roads, aircraft runways, and ships' decks.

The mobile machine used in the process, known as CAPS (cryogenic automatic preparation system) applies a range of abrasives suitable for concrete, asphalt or steel.

It is claimed that surfaces can be completely cleaned of all contaminants. On roads and airfields the system is claimed to remove all oil film, grease and rubber dust from concrete or asphalt. The abrasives impart microscopic angular cuts to the cleaned surface, thus improving its anti-skid properties.

Arc-quenching with sulphur hexafluoride

THERE IS some controversy in the heavy electrical industry about the best arc-quenching fluid for use in distribution voltage circuit breakers. The traditional medium has been heavy oil. Other switchgear manufacturers prefer a vacuum.

The Leeds-based independent manufacturer, Yorkshire Switchgear (0532 757121), has introduced its new model YSF6 circuit breaker with sulphur hexafluoride as the arc-quenching medium.

The unit is suitable for a range of system voltages up to 24kV at fault ratings up to 25kA, and with it the company is going for a large slice of the predominantly 12kV UK market as well as the 24kV export market, hitherto confined to foreign manufacturers.

The company's engineers believe that although the oil circuit breaker is by no means dead the time is ripe for introduction of new technology in this field.

They also believe that for distribution switchgear the vacuum circuit breaker has so far proved to be something of a red herring and that sulphur hexafluoride offers the optimum blend of improved performance, service-proved reliability and economical production, with costs more comparable with oil-filled equipment.

Minimal maintenance is recognised as a major requirement, especially for customers in developing countries, so the YSF6 has a permanently sealed cast resin gas enclosure and a mechanism that needs only light lubrication at five-year intervals. It is claimed to meet the requirements of ESI specification S-32 for a total of 47 breaks at rated breaking capacity.

Since the internal gas pressure is never much more than one bar above atmospheric and the one-piece gas enclosure reduces the number of seals to two, the risk of leakage is claimed to be negligible. Even so, leakage is guarded against by the provision of a pressure-detector switch.

Yorkshire Switchgear engineers say they have proved to their own satisfaction that the "puffer" principle of arc interruption, with a self-pressurising piston and a self-regulating gas port system, gives optimum performance with acceptable power consumption over the full range of normal and probable fault currents. Operating current consumption has been kept down by the use of a contact system (patents pending) which is claimed to reduce considerably the mechanical inertia of the moving contact assembly.

Modular construction methods permit the basic design to be produced with a range of options: single or double busbars; transfer earthing of the feeder; or, for reasons of economy, the use of a portable earthing and testing device which can be used to earth either the feeder or the busbars through the circuit breaker.

All live metalwork is fully encapsulated and insulated, permitting the overall dimensions to be kept down and also allowing safe operation in polluted or otherwise unfavourable environments.

Yorkshire Switchgear, which remains outside the major UK electrical plant and equipment manufacturing groups, claims to export about 80 per cent of its output to 30 countries.

Industrial markets data

THE LATEST edition of its *Published Data on European Industrial Markets* has just been produced by Industrial Aids, 14, Buckingham Palace Road, London SW1 0QP (01-828 5036).

In 270 pages, the book lists more than 1,900 market studies available for purchase from consultants and specialist organisations. The surveys relate to industrial products, consumer goods where they form markets for industrial products, or financial and economic studies likely to be relevant to industrial markets.

Names and addresses of the organisations producing the reports are given and the titles listend with a note of the language, number of pages, and the cost of each report.

Cost of the publication is £29 (UK and Continental Europe) and £32 in the U.S. and other countries, both prices include postage and packing.

Motion device

DESIGNED for use in the machine tool industry to detect motion, or loss of motion, of mechanical parts, a device introduced by E. W. Bliss (England) (0332 45801) can be employed for monitoring rotating parts which move in a constant cyclical pattern and can be arranged to provide a regular 0/1 pulse at an input sensor. It can also be interlocked into safety alarm circuits.

Pulses from an input sensor are processed by an integrated circuit to maintain the relay output in the energised state while regular 0/1 pulses are received.

Bank union rejects ballot fund

BY NICK GARNETT, LABOUR STAFF

THE USE of Government funds for ballots was rejected yesterday by the Banking, Insurance and Finance Union (BIFU) which is affiliated to the TUC but not to a political party.

Its annual conference in Blackpool was voting on a motion motion which would have authorised the executive to apply for such funds for "appropriate ballots" provided it was considered "in the interests of the members of this union and of the trade union movement as a whole."

The BIFU rejection is the first TUC union conference decision on the issue of Government funds since the introduction of the Employment Act which contains the provisions.

The Amalgamated Union of Engineering Workers appears ready to risk a clash with the TUC by using the Act's ballot money provisions.

Sir John Boyd, the AUEW general secretary, said yesterday that the executive would propose the use of money for ballots to the policy-making national committee of the union in two weeks' time.

He emphasised that the money would be used only to finance ballots on elections—a constant process in the AUEW—and not to ballot on strike action. The executive's proposal is likely to be accepted by the national committee which is dominated by the right wing.

The Electrical and Plumbing Trades Union says it does not oppose the use of Government ballot money in principle.

Three staff organisations, none of them in the TUC, have made applications for ballot money. But the applications have been refused.

The Certification Office says that the aplications from the Royal College of Nursing, the British Medical Association and the Gusinness Brewery Staff Association did not fulfil the conditions of the Act.

Supporters of the BIFU motion, proposed by the Sun Life of Canada branch, said it could save the union much money and would be to the membership's benefit.

Mr. George Cornick, for the executive, said that it was unacceptable to go to the Government cap in band for the ballot money.

● The union agreed a motion reaffirming its non-party political stance byt recognising that, "in order to act in the interests of members, it may be necessary to participate fully in all aspects of the union's involvement within the TUC, including matters of a political nature."

Mr. Leif Mills, BIFU general secretary, said: "We see this composite as a logical step forward in maintaining the essential non-party political character of this union but giving us further influence in supporting aims where they are of assistance to our members."

"Under no circumstances do we see this union engaging in the wider or wilder realms of party politics."

Shipyard men vote for action on job cuts

By John Lloyd, Labour Correspondent

WORKERS IN the yards of British Shipbuilders have voted overwhelmingly in favour of industrial action against the corporation's demand for compulsory redundancies.

The results of votes at the yards were being assessed by officials of the Confederation of Shipbuilding and Engineering Unions yesterday as the deadline came for responses.

The shipbuilding negotiating committee of the CSEU will meet in Glasgow next Wednesday to discuss whether to call for industrial action by the 70,000 shipyard workers.

No talks have been arranged between the unions and British Shipbuilders, and the unions do not expect an invitation to the negotiating table before April 22.

The vote on industrial action demonstrates to officials that there is a substantial reserve of militancy in the yards, and the shipbuilding committee will be under some pressure to call for widespread action if British Shipbuilders does not drop its demand for redundancies.

This militancy is underscored by a number of yards refusing to endorse the wage offer of 7.5 per cent, in spite of a union recommendation to accept.

PUBLIC INVESTMENT PAPER PUBLISHED

TUC backs call to lift State industry cash curbs

BY CHRISTIAN TYLER, LABOUR EDITOR

A CAMPAIGN by nationalised industry chairmen to free long-term profitable State investment from short-term Government financial control has been reinforced by the TUC.

In a memorandum to the Chancellor published today, the TUC's State industry unions recommend a new approach to public investment, and its removal from the public sector borrowing requirement calculation and from the external financing limits.

The political context and some proposals go further than the State industry chairmen would like, but common ground between the chairmen and union leaders was discovered at their last meeting in February.

This will be tested in the coming months. The subject is down for discussion at the June meeting of the tripartite National Economic Development Council, for which the State industry chairmen's group, the CBI and the TUC will all submit papers.

The chairmen's group had not received a copy of the TUC plans yesterday, but it was made clear that many senior State industry executives share its views that the Government is "mesmerised" by the PSBR. Some are nonetheless suspicious of the unions' motives and are anxious to keep tight financial discipline over wage bargaining.

Another shared view, likely to emerge at the NEDC debate, is that Ministers are drawing an artificial distinction between public and private investment, although Mr. James Prior, Employment Secretary, recently stressed the interdependence of the sectors.

The TUC paper argues for something like the French "investment contract," in which strategy is worked out first, financing and pricing afterwards. In Britain, it says, the tendency is to start from "narrow financial issues" which means there are "debilitating and often ideological shifts in policy."

Specific grants to industry should continue to appear as a charge on public expenditure planning totals, but loans for investment should be separate. State industries should, for example, be free to issue fixed-interest bonds to the public and "raise loans in all appropriate ways on the capital markets." Those sums should not be counted as part of the PSBR for control purposes.

The TUC supports British Telecom's appeal for more borrowing freedom. Today's consumers should not have to bear the whole burden of its investment programme.

In some sectors, new joint public and private ventures might be set up. Greater use should be made of holding companies such as the National Enterprise Board. As in other EEC countries, more use should be made of banks.

The TUC repeats its call for a national investment bank. Such an institution could, for example, recycle the surpluses of profitable enterprises like the British Gas Corporation.

On the proposals, Mr. Len Murray, TUC general secretary, said investment in nationalised industries is the key to getting the economy moving again. Apart from helping consumers of those industries' products, it would provide desperately-needed orders for the private sector.

He cites projects such as rail electrification, a gas-gathering pipeline or modernising the telecommunications network.

The Government had published plans to squeeze the nationalised industries by £2½bn over the next three years, Mr. Murray said. That was having the predicted result of increasing prices, cutting services and creating unemployment.

Countries such as West Germany, France and Italy had a more flexible approach to financing their State industries, from which the British Government could usefully learn.

Parker sees railmen over line closure plan

BY PHILIP BASSETT, LABOUR STAFF

SIR PETER PARKER, British Rail chairman, yesterday met the full executive of the National Union of Railwaymen to discuss industrial action against a planned freight line closure which has hit services in the Manchester and Sheffield areas.

The talks with Sir Peter and other members of the BR board were called at the union's request, following a meeting of the executive to consider widening the action.

It suggested the possibility that the union might be trying again to interest BR in its call for a public inquiry into the closure of part of the Manchester-Sheffield-Wath freight line and the withdrawal from it of all freight services.

The union has also proposed a private inquiry. BR has refused to agree with its request to defer the date of closure from June to September. BR says it cannot concede to a public inquiry making commercial decisions. The meeting was still in progress last night.

No trains ran again from Manchester on four routes to the south-east of the city, because of strike action by staff in some nine signal boxes. The action was in support of about 80 ticket staff who have been suspended for refusing to collect fares in protest at the closure.

In Sheffield about a third of the normal services were not running because of strike action by guards over the suspension of a booking office clerk on Monday.

● An unofficial strike by station staff at London's Paddington tomorrow is likely to cause delay and cancellations to Inter-City trains to the West Country, South Wales and South Midlands, BR said yesterday.

Commuter and local services to and from Paddington are likely to be affected.

The 24-hour action from 6 am is in support of carriage cleaners at Old Oak Common, Western Region's London servicing and maintenance depot, who have been in dispute with BR management over new work schedules for the past two weeks. About 70 cleaners are involved. BR has not allowed them to book on unless they wrk the new schedules.

BL toolmakers vote to end Cowley sit-in

FINANCIAL TIMES REPORTER

SIX HUNDRED toolmakers at BL's Cowley plant voted yesterday to return to work, five days after their union told them to do so.

They ended the sit-in which began last Wednesday over moves by management to merge trades in the Pressed Steel Fisher car body works.

The craftsmen resisted the proposed changes in working practices in an attempt to obtain guarantees against redundancies.

Their action was condemned as unconstitutional by BL and the Amalgamated Union of Engineering Workers.

Union leaders were angered by the craftsmen's tactics which made job security the main issue of the dispute after failing to raise it during official management and union talks.

Mr. Roy Fraser, the union's convenor and leader of the toolmakers, who favoured a return to work, urged the men to adopt a policy of non-co-operation over the trade mergers.

The aim of job security would be pursued through contacts with other unions at other BL plants.

"If BL want to introduce the working practices of Japanese car plants, then they must also offer Japan's job security and higher rewards," he added.

BL is willing to talk about job security. Mr. Ken Cure, a member of the union's executive, says no company can give a copperbottom guarantee against redundancies in a recession.

Felixstowe dockers end two-week stoppage

FINANCIAL TIMES REPORTER

A TWO-WEEK strike by 1,100 dockers at Felixstowe, Suffolk, ended yesterday.

The dockers agreed at a mass meeting to return to work on the recommendation of the Transport and General Workers' Union.

If agreement for new working arrangements cannot be reached during the next 10 days both sides have agreed to go to arbitration and abide by the decision. Management has withdrawn a letter seeking to change working practices which employees have claimed would cost them up to a £30 a week.

The threat of a stoppage by Customs and Immigration staffs will cause problems to the pert during Easter.

The Liverpool Dock Labour Board said that 329 dockers will have left the register in the port by this weekend under the terms of the Government-backed improved severance pay offer which offers a man with 20 years' service £16,000.

The port seeks 1,250 volunteers to keep it financially viable.

Another 663 "volunteers" could bring the total to just under 1,000 with a fortnight to go before the Government's special offer of 5,500 is withdrawn.

When it was launched in March, the existing voluntary scheme had 835 vacancies. The local board is now seeking permission from the National Dock Labour Board to offer another 419 to bring it just above the target.

The Mersey Docks and Harbour Company wants 1,000 volunteers—a third of its workforce. So far, 624 applications have been received.

West Coast Stevedores, the private company, wants to shed 250 men, and has 192 applicants. Smaller firms on the rive have another 176 applicants.

Nurses' pay talks put off

By Our Labour Staff

A JOINT negotiating meeting planned yesterday to discuss pay rises this year for Britain's 460,000 nurses and midwives failed to take place yesterday because of the Civil Service strike.

Union negotiators held a separate staff side meeting to discuss their position after rejection of a preliminary offer of a 6 per cent rise in line with Government cash limits set for wage rises in the health service this year.

Fitters' strike hits Perkins

THE PERKINS Diesel Engine Company laid off 2,300 workers at its Peterborough factory yesterday because of a strike by 36 fitters, who are in dispute about internal discipline. The company said that it had been able to find work for 500 employees, but production was badly hit.

On Monday, 1,000 workers stopped work because of a dispute over pay bargaining in which they are asking for an extra 20 per cent. The company is asking for a six-month pay freeze.

Pottery workers reject 5% offer in union poll

Financial Times Reporter

POTTERY WORKERS yesterday voted overwhelmingly to reject a 5 per cent pay offer.

More than 19,000 turned down the offer while only 7,900 voted to accept in an 81 per cent poll taken by the workers' union, the Ceramic and Allied Trades Union, based in Stoke on Trent.

Negotiators will meet today to discuss the implications of the poll before they meet the employers.

The Staffordshire-based pottery industry has been badly hit by the recession, with thousands of redundancies and short-time working.

Youth service plan attacked

THE SCOTTISH area of the British Youth Council has argued that proposals for compulsory community service for the young unemployed would "extend the frustrations felt by many young people in the last years at school for a further two years."

UK NEWS = PARLIAMENT and POLITICS

Move may prevent criminals standing for Parliament

BY MARGARET VAN HATTEM, LOBBY STAFF

THE GOVERNMENT has asked the Home Office to examine what changes in the law would be needed to prevent convicted criminals from standing as Parliamentary candidates.

The matter was raised in Cabinet yesterday, following an informal agreement between parties at Westminster not to rush into any move to expel Mr. Bobby Sands, the IRA hunger striker elected last week as MP for Fermanagh South Tyrone.

The prevailing opinion at Westminster is that an attempt to expel Mr. Sands would bolster Republican arguments that democratic processes do not and cannot apply in Northern Ireland. However, a number of Conservative backbenchers are highly indignant that a convicted member of the IRA should be elected to Parliament and the Government move, although not expected to lead to any immediate action, is seen as a conciliatory gesture to them.

Mr. Sands, now in the 46th day of his hunger strike, is considered likely to die within the next fortnight if he persists with his protest. Two of his supporters—Mr. Owen Carron, his agent, and Mrs. Moira Mcgrory — who visited Westminster yesterday to press his case with MPs, insisted he would not abandon the strike.

Mr. Carron said Mr. Humphrey Atkins, Northern Ireland Secretary, had reneged on specific promises made to seven hunger strikers who abandoned their protest last December that their five demands in relation to political status would be met.

Mr. Sands had received a mandate to continue to press for these five demands and it was "unthinkable" that the British Government should override the wishes of the electorate and refuse to negotiate with him, Mr. Carron said.

Although Mr. Carron and Mrs. Mcgrory had extended an offer to negotiate with members of the Government, they had received no response by yesterday afternoon. Northern Ireland Office officials later confirmed that they knew of the visit but knew of no offers to negotiate

Today in Parliament

COMMONS—Debate on economic difficulties in the north.

LORDS (at 11 am)—Forestry Bill, second reading. House rises for Easter recess.

SELECT COMMITTEES—Education, Science and Arts. Subject: Secondary School curriculum and examinations. Witnesses: Association of County Councils, Association of Metropolitan Authorities. Society of Education Officers. (Room 11, 10.30 am). Industry and Trade. Subject: Effects of the British Steel Corporation's corporate plan. Witnesses: TUC. (Room 16, 10.45 am). Transport. Subject: Transport aspects of the public expenditure White Paper. (Room 17, 4.15 pm): Employment. Subject: The work of the Department of Employment group. Witnesses: The Health and Safety Commission and the Health and Safety Executive. (Room 8, 4.30 pm). Public Accounts: Subject: Belfast City Hospital—new central hospital contract: delay in using properties acquired or held: sickness benefit—detection of fraudulent claiming, grants and loans for the construction of fishing vessels: forest recreation charges. Witnesses: Department of Health and Social Services, Northern Ireland: Department of Agriculture, Northern Ireland. (Room 16, 4.30 pm). Social Services. Subject: Medical Education. Witnesses: Overseas Doctors' Association; Conservative Medical Society; Sir Alec Merrison. (Room 15, 3 pm).

Thatcher rejects wider terms for riot inquiry

BY IVOR OWEN

Thatcher: referred to statements made by Lord Scarman to support her contention that the terms of reference were "very wide"

UNDER CHALLENGE from Mr. Michael Foot, the Opposition leader, in the Commons yesterday, the Prime Minister held to a view that unemployment was not a primary cause of the Brixton riots.

Despite renewed pressure from the Labour benches, she refused to countenance any broadening of the terms of reference of the public inquiry which is to be conducted by Lord Scarman.

Mrs. Thatcher referred to statements made earlier in the day by Lord Scarman in a BBC radio interview in support of her contention that the terms of reference were "very wide."

Lord Scarman, she said, had made it clear that he regarded the terms of reference as wide enough to cover everything he thought he was likely to need to inquire into to discharge his duty.

Mr. Foot pointed out that the Prime Minister had already committed herself to the proposition—in an ITN interview on Monday night—that high unemployment was not the primary cause of the troubles that had occurred in Brixton.

Yet it had been reported that half of those unemployed in the 16 to 19 age group in Brixton were coloured.

"Is it really the case that all these questions of how unemployment affects the situation comes within the scope of Lord Scarman's inquiry?" he demanded.

Mrs. Thatcher, who was replying to questions before leaving for her tour of India and the Gulf states, was adamant that the terms of reference were sufficiently wide to enable Lord Scarman to inquire into anything he wished to inquire into in connection with the riots in Brixton.

She added: "In my interview, I was asked a straight question and I gave a straight answer.

"I am not surprised Mr. Foot did not understand it."

Urging the Prime Minister to think again, Mr. Stanley Clinton Davis (Lab., Hackney Central) said there were areas of inner London which were seriously deprived, with a high instance of unemployment and appalling housing.

"Those factors surely cannot be divorced from the situation affecting so many younger blacks," he insisted.

Waving aside Labour protests, Mrs. Thatcher replied: "If you consider that unemployment was the only cause —or the main cause—of the riots, I would disagree with you.

"Nothing that has happened in unemployment would justify those riots."

Mrs. Thatcher emphasised that the Lambeth Council, whose area includes Brixton, had just about the biggest housing investment allocation in London amounting to something like £40m this year.

A further large sum, in the region of £9m, had been made available to Lambeth under a partnership scheme.

It was also the case, said Mrs. Thatcher, that about 1,200 council houses had been vacant in Lambeth for moe than a year.

The Prime Minister paid tribute to the police for refusing to withdraw from Brixton during the rioting

Foot: demanded whether it was the case that questions of how unemployment affects the situation came within the scope of inquiry

The great British road humps debate

By John Hunt,

"The camel's hump is an ugly lump,
Which well you may see at the zoo,
But uglier yet is the hump we get
From having too little to do."

The quotation from Kipling seemed particularly appropriate yesterday as the Prime Minister winged her way towards India leaving behind a light programme of Commons business as MPs prepared for the Easter recess.

Yet scarcely had her aircraft left the tarmac than members were engaged in a fractious controversy which spilled across party lines.

The House was considering the report stage of the Transport Bill which brought up the dread subject of whether the wearing of seat belts should be made compulsory. On this apparently minor topic normally sensible MPs are apt to foam at the mouth and roll their eyes as if seized by a strange dementia.

To be more precise, the wearing of seat belts by adults, which was a subject which was not discussed although 126 MPs of all parties had put their names to a new clause allowing the Transport Secretary to make it compulsory.

Instead it was pre-empted by an hour and 10 minutes of demand as MPs mulled over the merits of road humps, the Government having decided to allow local authorities to build them across side roads in order to deter speeding motorists.

Realising that they were on to a good thing, members who wanted to prevent the debate on seat belts took up the question of road humps in all its ramifications. There was the size of the humps, their height, width and configuration: rural humps, urban humps and suburban humps.

We had English humps, Welsh humps and the Scottish variety. (Indignant shouts from the backbenches "What about the Irish humps?"))

Mr. Tony Marlow (C., Northampton N.), a leading anti-Marketeer, warned that the Brussels bueaucrats would quickly seize on this matter. He feared the Government would have to clear it with them first as they were certain to demand a standardised "Euro-hump" throughout the Community.

In a 10-minute speech, Labour's main opponent of compulsory seat belts, Mr. Arthur Lewis (Newham NW), feaed that it would not be long before there would be demands for compulsory humps. Could this be the "thin edge of the hump?" he wondered.

This was too much for Mr. Barry Sheerman (Lab, Huddersfield E.) who favours compulsory seat belts. He could be heard telling Mr. Lewis: "You haven't got a serious thought in your head."

His words did not, however, prevent Mr. Ian Lawrence (C., Burton) croaking through a 25-minute speech after apologising that he seemed to have "a hump in the throat."

Eventually the guillotine was remorselessly brought down without a debate on the new clause on compulsory seat belts.

The Government proposal on road humps was adopted on a rather sinister note when Mr. Kenneth Clarke, Parliamentary Secretary for Transport, explained that each hump would cost between £700 and £800.

Ah, one can visualise the scene as the new Hump Department is opened in the town hall, the hump director appointed with his burgeoning staff of hump inspectors. What price now the pledge to curb local authority spending?

Next Labour Government 'will repeal Nationality Bill'

BY MARGARET VAN HATTEM, LOBBY STAFF

THE LABOUR PARTY yesterday launched its campaign for the GLC elections on May 7 with a pledge that the next Labour Government will repeal and replace the Tory Government's Nationality Bill and the 1971 Immigration Act.

Unveiling Labour's proposals for a comprehensive new law on British vcitizenshrop — — on British citizenship, Mr. Roy Hattersley, Shadow Home Secretary, said they recognised the need to revise and clarify the law on citizenship while avoiding the racist and sexist provisions of the Tory Bill.

Under the Labour proposals:

- Everyone born or adopted in the UK would automatically acquire British citizenship. The Government's Bill would exclude children born here to non-British citizens such as students, visitors or work permit holders.
- Separate citizenships would be established for each of the remaining colonies and associated terrtiories, giving citizens full rights in relation to the territories concerned. This would replace the Government's proposals to lump these together in two categories—Citizenship of British Dependent territories and British Overseas Citizenship—which in some cases Labour claims are almost meaningless.
- A Commonwealth conference would be called to discuss all changes in the position of citizens of the UK and colonies, British protected persons, and British subjects without citizenship. Those left effectively stateless will be granted full British citzenship.
- Anyone refused British citizenship would have the right of appeal to the courts.

In a long policy statement drawn up by the party's Human Rights Committee, chaired by Miss Joan Lestor, the party argues that the Government, "preoccupied with removing possible sources of future immigration" has produced a Bill which is racist, unnecessarily complicated, and contrary to the spirit of international law.

Citizenship should be granted automatically, it argues, to anyone born or adopted in the UK; anyone born or adopted outside the UK whose parents are British citizens; and to all foreign and commonwealth citizens who have lived in the UK for five years and have no serious criminal convictions in the 10 years before application.

Citizenship should, it adds, confer the right of abode within the national territory, the right to a passport, parity of civic rights and obligation, parity of access to employment, equal franchise, the right to stand for election to public office and the duty of allegiance including equal liability for military service.

The party insists that less should be left to the discretion of the Home Secretary who at present can reject applications for citizenship if they fail to meet such criteria as "good character" or "sufficient knowledge of the English language."

PM noncommittal on Hadfields

BY IVOR OWEN

AN APPEAL for Government action to prevent the closure of Hadfields, the Sheffield private sector steel company, brought a non-committal response from the Prime Minister in the Commons yesterday.

It was made by Mr. Martin Flannery, (Lab., Sheffield Hillsborough), who declared his support for the 500 employees of the firm who were at Westminster lobbying MPs in a last minute effort to save their jobs.

He said Sheffield MPs were told by the Industry Department last December the Government could do nothing more to help the public sector steel plants in the city, because it wanted to do something for private sector steel firms which were in danger of closing down.

The Hadfield workers wanted to know what was going to be done for the private sector steel companies.

Mrs. Thatcher said she was delighted to hear Mr. Flannery —noted for his outspoken Leftwing views — speaking up for the private sector.

She said that in order to spend a little more on the private sector, it was necessary to spend a little less on the public sector.

The Prime Minister recalled that it was hoped Hadfields would come within the Phoenix 2 scheme—the projected jointly owned BSC and private sector engineering-steel holding company—with a view to eventually becoming a private sector concern.

Mrs. Thatcher also made a cautious response when questioned about the wider possibilities of private sector finance being used for investment projects such as rail electrification schemes.

She told Mr. Kenneth Carlisle (C., Lincoln): "Many of us would like to devote a larger proportion of resources to capital investment, but that too could be a drain on the private sector."

If such a result were to be avoided, investment financed from the private sector had to be compensated for by a reduction in current expenditure.

"We cannot spend money on current expenditure and have it still available for capital expenditure."

Steel keeps up pressure on SDP

BY ELINOR GOODMAN, LOBBY CORRESPONDENT

MR. DAVID STEEL, the Liberal leader, is keeping up his pressure on the Social Democrats to set up some joint machinery with the Liberals as soon as possible.

He has had another meeting with the leaders of the SDP and once again pressed upon them just how important it is to both parties that they should come to an agreement by the summer.

Last week, some of the SDP MPs warned their collective leadership—Mr. Roy Jenkins, Mr. Bill Rodgers, Dr. David Owen and Mrs. Shirley Williams —that they were not prepared to be rushed into setting up any joint machinery. Since then, Mr. Steel has had further talks with the SDP leaders who reported the reservations some of their MPs had about entering into an agreement with the Liberals.

Nevertheless, the "Gang of Four" are likely to raise the issue again with their colleagues shortly after Easter.

Some of the Social Democratic MPs have complained of the way Mr. Steel has been publicly pressurising them into an agreement. For this reason, Mr. Steel may try to put the pressure on the SDP behind the scenes when Parliament returns after Easter.

Revenue criticised on pensioners' tax

THE INLAND Revenue was strongly criticised yesterday in a report from the Parliamentary ombudsman about its handling of the tax paid by some pensioners.

Mistakes by the revenue have resulted in people with more than one pension accumulating large tax arrears and being faced with a hefty bill.

"I am always distressed to receive complaints from pensioners who find themselves faced with large arrears of tax through no fault of their own at a time when they are facing the problem of adjusting to a reduced scale of income," said Mr. Cecil Clothier.

He said he first complained about the issue two years ago and since then there had been a reduction in cases.

"I hope it means that more care is now being taken to get things right and that therefore fewer mistakes are being made."

But he added: "I remain concerned at the Inland Revenue's apparent inability to avoid under-payments in cases involving more than one source of pension income as shown by the number of complaints of this nature I have received."

BUSINESS PROBLEMS

BY OUR LEGAL STAFF

Improvement and VAT

I am a professional man in practice at my home on my own account and am having extensive alterations and improvements done to my home, most of which is not liable to VAT. But can I offset any VAT I do have to pay on for example, architect's fees direct purchases of wallpaper? My two-storey office building which I own is split into two units. I occupy the first floor and part of the ground floor, the remainder of the ground floor being let for business use. Every so often I have external repairs to do, e.g. roof, guttering, treatment of attractive oak shop fronts to both "my part" and the leased part. How much of that VAT, if any, incurred on the whole building can I offset against VAT I collect in? Would it be correct to charge such expenditure and VAT on my office building against my practice fee income or against my properties rental income?

Any VAT which is applicable to expenditure which is not for business purposes is not reclaimable from the Customs and Excise. If you use part of your home as an office, the Customs and Excise might accept that part of any expenditure on your home will quality for VAT repayment.

With regard to your office building, the expenditure in connection with that will be for business purposes and the VAT will be reclaimable subject to a restriction if your rental income is sufficient automatically to restrict part of your VAT repayment claim. You are no doubt well aware of these restrictions in view of the fact that you have tenanted properties and are aware that the rules relating to partial exempt status were changed some time ago. If there is a restriction on the VAT reclaimed in respect of the office building, the Customs and Excise will no doubt accept any apportionment which is reasonable. It would not automatically be correct to state that the whole of the VAT applicable to a roof repair is automatically capable of being set off against VAT which you account to the Customs and Excise in respect of your fees.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Race relations at work: do employers care?

In the wake of the Brixton riots, Gareth Griffiths examines a study which advocates U.S.-style equal opportunities programmes in Britain

FEW BRITISH companies have any type of equal opportunity employment policies for blacks, whereas in the United States such policies are commonplace.

Hardly any British companies have ever monitered their employees by ethnic origin, and few UK managers have plans to change existing patterns of employment. As a result, blacks are employed in less skilled jobs than their qualifications would justify or in "dead-end" posts.

This emerges from a study of equal employment opportunities programmes in the United States published by the Runnymede Trust. The report, by David Wainwright, a British sociologist, looked at ways in which American experience could be taken into account for similar programmes in British companies.

Wainwright argues that the obstacles to change lie less with the minority group than with the white male foreman or manager from Westchester or Surbiton.

The marked difference in approach which has developed between the UK and the U.S. over the last 17 years has stemmed from the much stronger role of the U.S. government and minority lobby groups, he suggests. The 1964 Civil Rights Act gave a new thrust to equal opportunities in employment. This insisted that employers of more than 25 people must keep records of their employees on the basis of ethnic and racial background and the sort of work minority employees did.

File suits

Legislation on equal opportunities has been subsequently extended and honed; the Act now applies to companies employing more than 14 people, for example.

Administrative action by the Government has played at least an equally important role in changing the attitudes of American business to minorities of all sorts. The Equal Employment Opportunities Commission (EEOC), set up in the mid 1960s, was given power in 1972 to file suits on behalf of employees and go to court.

A number of punitive court settlements on employers who had failed to develop what became known as affirmative action programmes had a major effect on business, persuading it that equal opportunities programmes had to be more than public relations exercises. Detroit Edison, for example, had to pay \$4m in damages to employees who had suffered discrimination.

The purchasing power of the Federal Government was also brought into play, more than 250,000 American government contractors are now monitored for their affirmative employment programmes.

Such programmes are expected to conform to basic guidelines laid down by government agencies. The principle is that employer policies or practices should not have an adverse impact on any race, sex or ethnic group unless they can be justified by business necessity.

The practical litmus test of a programme is that the company is failing if a selection rate for such a group is less than 80 per cent of the rate for the group with the highest selection rate.

This combination of administrative demands and political pressure from minority groups has led to what the American Society of Personnel Administrators reports as a change in corporate promotion policy. There has been a recognition of "a general consciousness of need" and some companies report "reverse discrimination."

In General Motors, for example, the percentage of minority employees in its U.S. workforce grew from 11.2 per cent in 1965, when its equal opportunity programmes were introduced, to 17 per cent by 1973. Minority representation in its white-collar jobs grew even more quickly, from 1.7 per cent in 1965 to 8.4 per cent in 1973.

At AT&T, the company found it necessary to closely follow up its programmes, as there was a tendency for them to be implemented on a superficial level only. A review in 1975 found that the formal agreement with the EEOC was not working and that there was a need for a more informal approach; this was subsequently introduced by the company.

Wainwright finds a very different situation in British industry. Leadership on the issue is either non-existent or timid, he says, arguing that the only two management bodies that have made continued efforts are the Institute of Personnel Management and the Industrial Society. In the U.S., companies are willing to talk about their attitudes and plans but most British organisations prefer to avoid any public commitment.

The lack of a lead from the top has meant that the problem is paid little attention and that there has been a limited exchange of information on such topics as training black employees.

Information on the ethnic origin of employees is crucial to the development of programmes, according to Wainwright. Yet Ford was the only company giving evidence to the House of Commons Home Affairs Committee late last year that had a policy of finding out the ethnic composition of its staff. It was concerned to find out why it has a relatively small proportion of non-white employees in skilled grades.

British managers operate in a radically different environment from their American counterparts, Wainwright points out. The evidence strongly suggests that the pressures on them to develop equal opportunities programmes are light or non-existent.

Few British managers would accept that their organisations need sophisticated American style equal opportunity programmes, Wainwright argues. Most of them are white and male with no direct experience of the problems of discrimination and they reject blacks who complain as "unrepresentative trouble makers."

Quota

This situation was common in the United States in the 1950s and early 1960s, he recalled, but pressure for change came from an increasingly articulate and angry black population. On the other hand, blacks make up a much smaller proportion of the population in the UK, and the civil rights movement—which gave such force to the American drive for equal jobs rights—is also less developed.

The sharpest contrast highlighted by the study is the relatively low-key approach of the British Government to the issue. There is no ethnic employee quota requirement in British law, and while the enforcement agencies in the U.S. have resources to back up campaigns against racial discrimination, the Commission for Racial Equality (and previously the Race Relations Board) do not.

But Wainwright also accuses the Department of Employment and the Civil Service of suffering from a "failure of will" over the issue.

It is failure of will in both the public and private sector that Wainwright concludes is the most serious barrier to implementing a change in management policy. His report suggests that unless managers in the UK see the economic and social benefits from an equal employment opportunities programme, then pressure from minorities and politicians will lead to a greater reliance in employment matters on the law.

Learning from Uncle Sam: Equal Employment Opportunities Programme. The Runnymede Trust, 62, Chandos Place, London WC2N 4HG; £1.50.

Why a woman *can* be more like a man

Lisa Wood on CBS's far-reaching attack on sex discrimination

JOAN SHOWALTER, Columbia Broadcasting Systems' vice-president in charge of personnel, was horrified to hear British women debating the provision of in-house creches and shorter working hours.

"Our attitude at CBS," she told a London conference of the National Council for Civil Liberties last week, "is very different. We have concentrated on women being equipped to do the same job as men and just as efficiently. If a woman wants to qualify for a senior position she should not expect to change the working environment."

Women at CBS have had considerable success in achieving senior positions over the last decade. Whereas in 1973 only 18 per cent of managerial and executive posts in the organisation were held by women, the percentage today is 30.

This cannot simply be attributed to Federal legislation concerning Equal Opportunity Policy and Affirmative Action Programmes, rather, CBS took its own initiatives, Showalter maintained.

"Some companies in the States chose to ignore legislation and ended up in costly litigation and with dissension within the ranks. We chose a different route and we believe we now have a more productive and better-equipped workforce."

Positive action to aid women in the organisation started in 1973, Showalter said. Before that the organisation had thought it was doing well in improving the status of women, and ethnic minorities at work.

But a delegation of women drawn from management, secretarial staff and the unions did not agree. It asked for a meeting with the President of the Corporation to discuss proposals, which included.

- The open advertisement of all jobs in the corporation, up to that of vice-president.
- Employees being able to apply for other jobs in the organisation without permission from supervisors after a specified period.
- The establishment of a Women's Advisory Council which would meet regularly with senior management.
- The setting up of women's programmes which would provide training seminars dealing with career planning.
- The monitoring of women's progress in CBS.

Over the years, each of these areas has been investigated and acted upon, Showalter said. "Something like allowing people to apply for jobs within the organisation without the supervisor's permission may seem trivial. But secretaries in particular were often perceived to be disloyal by a boss if they wanted alternative employment."

Aggressive

It was a similar case with the open advertising of jobs, Showalter continued. Previously management posts had not been advertised, the company having a very strong internal promotion system. Now women in particular could see what sort of qualifications were needed. "It should also be said that many of the measures helped men as much as women."

The special seminars for women—similar ones are also held for ethnic minority groups—have proved particularly successful, Showalter maintained. For example, more than 3,200 women employees have, over the last seven years, attended a special course which assists them in the transition from technical or supervisory positions to management. These classes meet once a month, the course lasting for about one year.

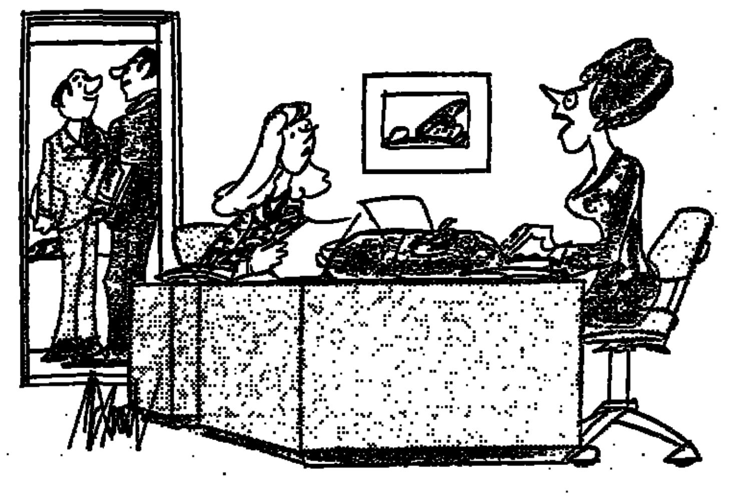
Women are even taught how to compete. "Women should not be embarrassed to ask for more money or promotion," according to Showalter. "In our seminars they are taught how to be more aggressive—and that's not a bad thing."

CBS also established, before it became mandatory, a policy which treated prearranged birth "in the same way as any other medical disability." Women can now take up to six months' leave after having a baby.

Asked whether or not this appeared to be in contradiction to CBS's attitude that women should not receive any special social treatment at work Showalter said: "Such action is both fair and business-related. We think that a six month period is sufficient for a woman to make arrangements for her child. We also want her to return to her job. Staff turnover is costly."

Even male employees, starting at senior management level and working down the organisation, have been "sensitised" to the new approach. Women and minority consultants discuss positive approaches to a sexually and racially diverse workforce and the more subtle forms of discrimination.

More than \$1.5m is spent annually by CBS in specific career development activities for women and minorities. Ironically, said Showalter, the costs associated with governmental filing requirements are escalating rapidly to the point where CBS may be forced to offset them. In part it would do this by reducing the monies available for the very same worthwhile programmes they are intended to measure.



"What I can't stand is men allowing us to have equality of opportunity"

CBS made it a business goal to achieve national leadership in providing equal opportunities for women and minorities, said Showalter. This decision was not based on Equal Employment Opportunities legislation, she emphasised. However well-intentioned the myriad of governmental rules and regulations in this area may be, "they waste and divert significant funds to reporting rather than in achieving results.

"It is our firm conviction that CBS ranks in the forefront of affirmative action because of internal decisions made without regulatory mandates. It was good business to recognise and promote women."

So positive has the action been that last year, when CBS took on 16 business school graduates, a small delegation of women complained. For all 16 were female and CBS women said such results smacked of preferential treatment.

"We had to tell them that we had not planned to recruit all women," said Showalter. "It was purely selection by our marketing and finance managers of the best candidates."

LOMBARD

Triumph of the farm lobby

BY WALTER ELLIS

DECEMBER 1979, when an exultant coalition of MEPs threw out the budget of the Common Market's Council of Ministers, was the high point of prestige of the European Parliament. It was Luther nailing his 95 Theses to the cathedral door in Wittenberg. The decline since then has been remarkable and, to many, seems irreversible. Luther has taken down his parchment and slunk off back into the night. Governments, the European Commission, officials, journalists and, in private, many MEPs, have since that heady day 17 months ago witnessed a complete restoration of the old orthodoxy, which held that the Parliament was an empty vessel, lacking all substance.

Ignominy

The sect of believers in Strasbourg's capacity to acquire real power and influence in the community—of which I was a minor priest—took great heart from the budget affair. It was not necessary to be pro-EEC to join their ranks, rather it was a matter of feeling involved with an institution that mattered. Then the revolt collapsed in ignominy. The sect was dispersed—reduced to a tiny group of fanatics wandering the corridors of weakness. The counter-reformation had triumphed.

Two overheard remarks last week demonstrate the extent of the slide. One of the most senior and experienced of the European Commissioners—not British—whispered to a colleague after listening to hours of debate in the chamber: "I have rarely been so bored. What an utterly pointless exercise."

Even more revealing, a high-ranking official of the Commission, who has been involved in the area of external relations for many years, observed in a matter-of-fact manner that the Council rarely bothered with the content of Parliamentary reports. "The Council can't enact any new regulation or directive without consulting the Parliament. But they don't read the reports, they just wait until they arrive and then pass whatever measure it is by written procedure at their next meeting. The decisions are already taken."

From time to time, the Commission publishes its own reports on action it has taken in the light of suggestions from Parliament. These appear to indicate that notice is being taken of what MEPs say. But it is hard not to believe that this is sheer window-dressing. The Commission itself is increasingly having to fight to have its voice heard by Ministers, the Parliament in reality is ignored.

At the heart of the problem is the nature of the institution—precribed by the Treaty of Rome. It cannot propose legislation, its members cannot aspire to Government office and it has only the most rudimentary powers to call Ministers and Commissioners to account.

The inability to initiate legislation frustrates a great many MEPs. It seems odd, indeed, that an elected assembly should be unable to engage in law-making while an appointed Commission should have precisely that function. Without it, Parliament is merely consultative.

The fact that MEPs neither form a Government nor have one answerable to them is equally debilitating. The decision-makers are elsewhere. Parliament is crying in the wilderness. Question time, which was invested with great significance when the British joined the Community in 1973, has been reduced to low farce, sparsely attended. Ministers rarely reveal anything not obtainable through other channels, and Commissioners are forced all too often to admit that the subject is outside their competence. Limp oratory fills the vacuum.

Budget

In one area, the Parliament does have real influence: the Budget. Each year it can attempt to force reforms and increase spending in new areas. But it has rejected this challenge. After two years of preaching the need for a reduction in agricultural spending, MEPs last month voted for one of the biggest farm-price increases in its history. British members tried to stop the rot but were powerless in the face of the relentless farm-lobby.

There seems little to be done. The parliament would have to pick itself up by the scruff of the neck and throw itself into the fray. It shows no sign of doing so.

An Easter message for the weeds

GARDENS TODAY

BY ROBIN LANE FOX

THE WEATHER has turned so suddenly that, as usual, we have all been caught short of time.

Easter weekend is the gardener's best chance for catching up. I reckon to do more during this holiday than in most of the months from November to February. For late starters, like myself, I have a few suggestions.

The first concerns weeds. Ideally, you should be bringing the first phase of the poisoning season to a close. The rains have probably ensured that you have not even begun, so you might like to join me in directing a weak Simazine compound through one of those admirable Killasprays wherever bare earth is showing among your established shrubs, roses and perennials.

Long-lasting

Simazine is easily bought as Weedex and if you put it on now it will linger in the top few inches of soil until mid-July or longer.

As I often remind you, it is one of your best friends, a guarantee that weeds will not be back on clean ground within a fortnight of the Easter break. A stronger compound is the remedy for paths, drives and weeds between paving stones.

Obviously, you cannot plant during this season in any soil which you have sprayed. Do not use poison where you want to fill up with bedding plants later in the year. Do not go too close to the roots of recently planted stock, and avoid a windy spring day, as the spray will drift.

At the same time, mark any bits of monstrous bindweed in your flower beds. In my garden nothing has ever grown so well as this horrible plant since it arrived with the compliments of a lazy nurseryman who had left it in the bottom of his container-grown phloxes.

Once it is up and all over a plant you cannot easily kill it off. But if you strike early enough when those bronze green tips are about 3 inches above the soil, you can poison it right back through the root.

Dip each young shoot into a solution of selective weed killer or the new and excellent Tumbleweed. It is too late to be digging between established plants and chasing a labyrinth of bindweed roots. Be ready to paint on the poison on a dry day in the next fortnight and you can save yourself the worst enemy in the garden.

While spraying the Simazine, you should think of mulching the areas which you cannot poison. Again, this saves your Easter work from coming adrift. If the surface of the soil is clean, a good mulch of compost, leaf mould or cheap peat will help to smother any weeds for the rest of the year. Even if they do start to sprout in the top surface, they can easily be hoed out as they will not be rooted deeply in a compacted bed.

Mulching is a pleasant job which brings an obvious satisfaction. Several big parks now use chipped tree-bark and find it an excellent cover. It is a handsome shade of light brown, neat, and not without nutrients for the soil. It is not very cheap when purchased from garden stores, but a nearby timber yard will quote you a fair price for a bigger load.

I am tired of being told to put peat with everything these days, as peat has next to no food and merely serves to keep the soil open and encourage the plants to root. All that talk of rich dark peat does not amount to much, so I am glad of an alternative mulch. I still distribute my lawn mowings, and allow them to rot on the flower beds.

From this, you will see that I still prefer to collect them off the grass. Defenders of the rotary mower are claiming once again that this collection is a needless waste of time, that if the lawn is mown at least twice a week, the cuttings are so fine that they can be left to dry out on the surface of the grass without looking too untidy. In addition, they are a source of nitrogen and after a while, you cease to notice them while you sunbathe.

In principle, I agree, but the grass in your lawn has to be far finer than the mixture of rye and coarse meadow grass into which mine has degenerated. If the clippings are to stay fine, the grass would have to be cut every two days. On a lawn of any size, it is easier to cut once-a-week and use the results on the flower beds. Your second walk in the week would be far more tiresome than a few trips with the wheel-barrow on the first one.

Besides, you cannot beat the lovely stripes of a good cylinder cut. I live in hope of perfecting them, but meanwhile I stand by cylinders and no loose mowings over any piece of ornamental lawn. Rotaries without pickups belong on banks, orchards or wild gardens only.

If you have worked out the weed killer and mulched with the mowings, you have squared up for May without too much risk to fresh crops of weed. You can turn to filling the winter gaps and thinking, instead, about flowers.

Dahlias will be the obvious buy over Easter and can cover up all sorts of failures in their very first year. Hardy annuals are even cheaper and are just right for sowing if the weather veers between sun and showers.

Almost all except the poppies and their relations can be transplanted, but you are advised to sow them directly in the gaps where you need them and thin out the excess in three weeks time.

The rake is your essential tool for this pleasing job. Use it to level and break up the soil into a fine tilth. Then, tread the soil's surface down so that the seed will not be lost in holes and air-pockets. With the back of the rake's head, press shallow drills into the trodden surface and sow the seeds along them, raking the earth back over the top and firming it again with the flat of the blade. The drills should not be deeper than half an inch and can be spaced about nine inches apart.

If in doubt, restrict yourself to the big seeds of the nasturtium which will grow anywhere and can be pushed down like peas wherever you want the plants. I would wait till early May before getting them as a sharp frost can trouble them on many soils.

More immediately, you have a wide choice and every hope of success. In any weather, I trust the glorious forms of Echium, especially the blue, though the mixed pinks, blues and whites are surprisingly elegant. They bush out into plants about a foot high and as much across and will flourish wherever they have a little sun.

Seasonal

Godetias are also superb, but slightly harder to grow well as they are not quite so tough in all weathers. I like the apricot and lavendar shades, not the mixtures which boil down to hard pinks and purples. Good Larkspur and Clarkia are rather an art, so beginners would do better with the fool-proof double poppies instead.

In a light sunny soil, I like the satin red annual phlox and the glorious blue phacelia, two of the easiest but least appreciated beauties within anyone's reach. All these seeds are seasonal this weekend, so I hope they may help to fill those spaces wherever the weed killers do not stray.

Bold Raider among the leaders

RACING

BY DOMINIC WIGAN

IT IS DOUBTFUL if there is a runner in today's somewhat pretentiously titled Tote European Free Handicap capable of proving himself in the same league as last year's winner, the 6-1 chance, More-style. However, several join today's 13-runner line-up with the English or Irish 2000 Guineas on their itineraries and the race could prove a far more informative classic guide than that tame affair for the Greenham.

Although Bel Bolide, Mattaboy and Shasavann have been the mediums of the principal free gambles over the past six weeks, Bold Raider, one of the two maidens at the foot of the handicap, is my idea of an each-way answer.

Trained by Dick Hern, whose West Ilsley team is not as backward as some had feared, Bold Raider may have been let in lightly judged by his third and final juvenile effort in the Intercraft Solario Stakes at Sandown in August. Leaving his previous form well behind, Bold Raider came through strongly in the closing stages to take second place, two lengths behind To-Agori-Mou.

This afternoon's seven furlongs will prove on the sharp side for the Berkshire colt, a handsome chestnut son of Bold Lad; but I hope to see him overcome that handicap and take advantage of the weight he receives from the established performers such as Shasavann and Bel Bolide. The last-named, whose Beckhampton stable received an undeniable Free Handicap morale booster through galloping companion Neat's victory, is confidently expected to reverse autumn placings here with top weight, Mattaboy.

A year ago Bill O'Gorman captured the Ladbrokes Abernant Stakes through the Lester Piggott-ridden Gypsy Dancer and he must be hopeful that another of his course winners, Sayaf, can do the trick for him this time. The four-year-old, whose best performance in 1980 came when he gave Runnett 3 lbs and a neck beating in the Gus Demmy Memorial Stakes at Haydock, does not face high-class opposition and can again account for his Arundel rival. Indeed, if there is to be a turn-up I expect it to be caused by either Frankie Durr's underrated Irish Commandment or by Bel Bolide's stablemate, Columnist.

NEWMARKET

2.00—Justicia*
2.30—Rankin
3.00—Bold Raider**
3.30—Sayaf***
4.05—Java Lights
4.35—Protection Racket

TV/Radio

† Indicates programme in black and white

BBC 1

9.35 am Roobarb. 9.40 Jackanory. 9.55 The Banana Splits. 10.25 Lassie. 10.50-11.00 Play Chess! 12.42 pm Regional News for England (except London). 12.45 News. 1.00 Pebble Mill at One. 1.45 Bagpuss. 2.15 Racing from Ascot. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Hong Kong Phooey. 4.40 Take Hart. 5.00 John Craven's Newsround. 5.10 The Bagthorpe Saga. 5.35 Fred Basset.

5.40 News.
5.55 Nationwide (London and South-East only).
6.20 Nationwide.
6.45 Tom and Gerry (London and South East only).
7.15 The Return of Captain Nemo.
8.00 Terry and June.
8.30 Lena.
9.00 News.
9.25 Are We Being Served?
9.55 Sportsnight.
10.55 Paperbacks.
11.30 Sportsnight.
11.55-12.00 News Headlines.

All Regions as BBC 1 except as follows:—

Cymru/Wales — 5.10-5.35 pm Think Again. 5.55-6.20 Wales Today. 7.30 Cwlwm '81. 8.00-Heddiw. 7.30 Cwlwm '81. 8.00-8.30 The Centenary Rugby Quiz. 11.59 The Hope of Glory. 12.15 am News and Weather for Wales.

Scotland—12.40-12.45 pm The Scottish News. 5.55-6.20 Reporting Scotland. 11.55 News Headlines, News and Weather for Scotland.

Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 11.55 News Headlines, News and Weather for Northern Ireland.

England—5.55-6.20 Look East (Norwich): Look North (Leeds): Look North (Newcastle): Look North-West (Manchester): Midlands Today (Birmingham): Points West (Bristol): South Today (Southampton): Spotlight South-West (Plymouth).

BBC 2

10.20 am Gharbar.
11.00 Play School (as BBC 1 3.55 pm).
11.25 Embassy World Professional Snooker Championship.
†4.10 pm "Camille," starring Greta Garbo.
5.55 Snooker.
7.05 Mid-evening News.
7.15 The Easter Experience?
7.35 Open Door.
8.05 Muggeridge: Ancient and Modern.
9.00 Rhoda.
9.25 The Life and Times of David Lloyd George.
10.25 The Return of Lupino Lane.
10.45 Newsnight.
11.30 Snooker.

LONDON

9.30 am A Big Country. 9.35 Friends of My Friends. 10.20 The Outsiders. 11.05 Superstar Profile. 11.30 The Andy Williams Show. 12.00 The Munch Bunch. 12.10 pm Rainbow. 12.30 About Britain. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Crown Court. 2.00 After Noon Plus. 2.25 Racing from Newmarket. 3.45 Food, Wine and Friends. 4.15 Five Magic Minutes. 4.20 Whizzkids Guide. 4.45 Echoes of Louisa. 5.15 Mr. and Mrs.

5.45 News.
6.00 Thames News.
6.25 Help!
6.35 Crossroads.
7.00 This Is Your Life.
7.30 Coronation Street.
8.00 The Good Soldier.
10.00 News.
10.30 High Office.
11.30 Mannix.
12.20 am No Vain Sacrifice?

All IBA Regions as London except at the following times:—

ANGLIA

9.30 am "The Bible" starring Michael Parks. 1.20 pm Anglia News. 5.15 Mr and Mrs. 6.00 About Anglia. 11.30 SWAT. 12.30 am The Big Question—The team discuss whether God is vindictive.

ATV

9.30 am Something Different. 9.45 Tennis with Mark Cox. 10.00 Alphabet. 10.25 Morning Cinema "Very Important Person," starring James Robertson Justice and Stanley Baxter. 1.20 pm ATV News. 5.15 Survival. 6.00 ATV News. 6.05 Crossroads. 6.30 ATV Today. 11.30 ATV News. 11.35 SWAT.

BORDER

9.30 am Jabberjaw. 9.55 Friends of Man. 10.20 The Export Scotch. 10.45 Chopper Squad. 11.35 Superstar Profile. 1.20 pm Border News. 5.15 University Challenge. 6.00 Lookaround Wednesday. 11.30 Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News. What's On Where and Weather. 5.15 University Challenge. 6.00 Channel Report. 10.28 Channel Late News. 11.30 News and Weather in French, followed by Epilogue.

GRAMPIAN

9.10 am First Thing. 9.15 Jesus in Danger. 9.30 Feature Film: "The Bible," starring Richard Harris, George C. Scott. 1.20 pm North News. 5.15 Diff'rent Strokes. 6.00 North Tonight. 1.30 North Headlines. 11.35 Sounds Gaelic—Alasdair Gillies presents music and song with a Gaelic flavour.

GRANADA

9.30 am "The Bible . . . In The Beginning," starring Peter O'Toole. 1.20 pm Granada Reports. 5.15 Happy Days. 6.00 Granada Reports. 6.25 This Is Your Right. 11.30 Rock Stage.

HTV

9.45 am The World We Live In. 10.10 The Secret Mendips. 10.40 Spiderman. 11.00 Sesame Street. 1.20 pm HTV News. 2.00 Houseparty. 3.45 Mork and Mindy. 5.15 Dick Tracy. 5.20 Crossroads. 6.00 Report West. 6.30 Survival. 10.28 HTV News. 11.30 Superstar Profile.

HTV Cymru/Wales—As HTV West except: 12.00-12.10 pm Flalabalam. 4.15-4.20 Guided Muscle. 4.45-5.15 Siraeon Y Byd. 6.00 Y Dydd. 6.15-6.30 Report Wales.

SCOTTISH

9.55 am Poetry of Landscapes. 10.10 Sesame Street. 11.10 Charlie's Angels. 1.20 pm News Headlines and Road and Weather Report. 5.15 Pet Subject. 5.20 Crossroads. 6.00 Scotland Today. 6.20 Tova's Talk Back. 6.30 Down To Earth. 11.30 Late Call followed by Immortal Heritage. 11.55 Police Surgeon.

SOUTHERN

9.30 am "The Bible . . . In the Beginning," starring Richard Harris. 1.20 pm Southern News. 2.00 Houseparty. 5.15 Betty Boop. 5.20 Crossroads. 6.00 Day By Day. 6.35 Scene Midweek (South-East area only). 11.30 That's Hollywood.

TYNE TEES

9.20 am The Good Word. 9.25 North-East News. 9.30 "The Bible . . . In The Beginning," starring Richard Harris, George C. Scott and Ava Gardner. 1.20 pm North-East News. 1.25 Where The Jobs Are. 5.15 The New Fred and Barney Show. 6.00 North-East News. 6.02 Crossroads. 6.25 Northern Life. 10.30 North-East News. 11.30 Paris By Night. 12.00 A Real Resurrection.

ULSTER

10.35 am Anna and the King. 11.00 Sesame Street. 1.20 pm Lunchtime. 4.13 Ulster News. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 10.27 Ulster Weather. 10.28 The Mercy Of God. 11.30 Bedtime.

WESTWARD

9.20 am Faith For Life. 9.30 Medieval Jousting. 9.45 Spread Your Wings. 10.10 Sesame Street. 11.10 Untamed World. 11.35 Rocket Robin Hood. 12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 5.15 University Challenge. 6.00 Westward Diary. 10.31 Westward Late News. 11.30 Faith For Life. 11.40 West Country Weather and Shipping Forecast.

YORKSHIRE

9.30 am "The Bible," starring Richard Harris, George C. Scott, Ava Gardner and Peter O'Toole. 1.20 pm Calendar News. 5.15 Diff'rent Strokes. 6.00 Calendar (Emley Moor and Belmont editions). 11.30 Paris By Night.

(S) Stereophonic broadcast

RADIO 1

5.00 am As Radio 2. 7.00 Mike Read. 9.00 Simon Bates. 11.00 Andy Peebles. 12.30 pm Newsbeat. 12.45 Paul Burnett. 2.30 Dave Lee Travis. 4.30 Peter Powell. 7.00 Radio 1 Mailbag. 8.00 Richard Skinner. 10.00-12.00 John Peel (S).

RADIO 2

5.00 am Ray Moore (S). 7.30 Terry Wogan (S). 10.00 Jimmy Young (S). 12.00 David Hamilton (S). 2.00 Ed Stewart's Request Show (S) including Racing from Newmarket. 4.00 Much More Music with Jean Challis (S). 6.00 John Dunn (S). 8.00 Listen to the Band with Charlie Chester (S). 8.45 Alan Dell with Dance Band Days (S). 9.15 Among Your Souvenirs (S). 9.55 Sports Desk. 10.00 Wit's End. 10.30 Hubert Gregg says Thanks for the Memory. 11.00 Cricket: Fifth Test—West Indies v. England. 11.30 Brian Matthew with Round Midnight, including 12.00 News. 2.00-5.00 am You And The Night And The Music (S).

RADIO 3

6.56 am Weather. 7.00 News. 7.05 Your Midweek Choice (S). 8.00 News. 8.05 Your Midweek Choice (continued). 9.00 News. 9.05 This Week's Composer: Glazunov (S). 10.00 Music For Passiontide (S). 10.55 Ruth Geiger piano recital (S). 11.45 Scandinavian Music (S). 1.00 pm News. 1.05 Concert Hall (S). 2.00 Music Weekly (S). 2.50 Cello and Piano recital (S). 3.55 Test Match Special: West Indies v. England. 6.05 Mainly For Pleasure (S) (joining VHF). 7.00 The Poetry of John Donne. 7.30 Berlioz Festival concert from the Royal Albert Hall, London (S). 8.20 Six Continents. 8.40 Berlioz Festival, part 2 (S). 9.35 Scarlatti (S). 9.45 The Diary of Dawid Rubinowicz. 10.30 Membra Jesu Nostri by Buxtehude (S). 11.00 News. 11.05 Piano Nocturne: Scriabin on record (S). 11.15-11.45 Test Match Special.

VHF—with Medium Wave except as follows. 6.55-6.55 am Open University. 3.55 pm Kleiber Conducts Mozart. 4.20 Music of Thailand (S). 4.55 News. 5.00-6.05 Mainly For Pleasure (S). 11.15-12.35 am Open University, and at 12.35-12.55 am for students in Scotland, Wales and Northern Ireland.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today, including 6.45 Prayer for the Day. 7.00, 8.00 Today's News. 7.30, 8.30 News Headlines. 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Midweek: Russell Harty's People. 10.00 News. 10.02 Gardeners' Question Time. 10.30 Daily Service. 10.45 Poustinia by Catherine De Hueck Doherty. 11.00 News. 11.05 Baker's Dozen. 12.00 News. 12.02 pm You And Yours. 12.27 A Murder of Quality by John Le Carré. 12.55 Weather; Programme News. 1.00 The World At One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Afternoon Theatre. 3.50 Letter From Suffolk by Kenneth Matthews. 4.00 Vespers (S). 4.45 Story Time. 5.00 PM: News Magazine. 5.50 Shipping Forecast. 5.55 Weather; Programme News. 6.00 News. 6.30 My Music (S). 7.00 News. 7.05 The Archers. 7.20 James Cameron in Korea. 8.20 Prefaces to Shakespeare. Richard Pasco on "Timon of Athens." 8.45 File on 4. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 The Lord of the Rings by J. R. R. Tolkein (S). 11.00 A Book At Bedtime. 11.15 The Financial World Tonight. 11.30 Today In Parliament. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 9.03 Morning Star. 10.03 The Robbie Vincent Telephone Programme. 12.30 pm London News Desk. 12.40 The Tony Fish Total Music Show. 2.30 Tony Blackburn. 5.00 News. 5.15 Music On The Move. 6.33 The Name of the Game . . . Speedway Racing. 7.03 Black Londoners. 8.00 As Radio 1. 10.00 Question Time from the House of Commons. 11.00-5.00 am Join Radio 2.

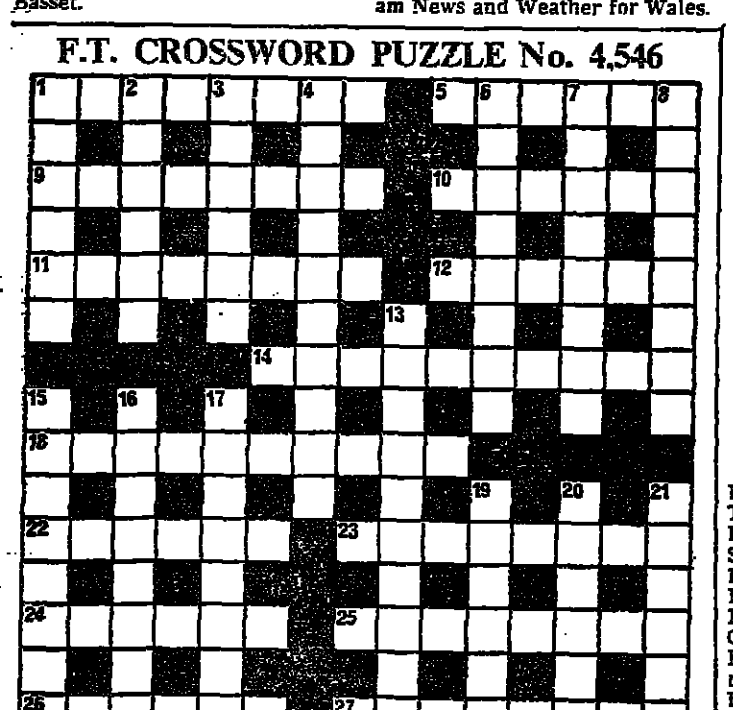
London Broadcasting

6.00 am AM—Bob Holness and Alan Clark. 10.00 Brian Hayes. 12.00 LBC Reports. 7.00 pm London Life—Keith Howell (includes feature on Jazz). 9.00 Mike Gardiner Nightline. 12.00 LBC Reports Midnight. 1.00 am Night Extra. 4.00 Network. 5.00 Morning Music.

Capital Radio

6.30 am John Sachs's Breakfast Show. 10.00 Michael Aspel. 12.30 pm Nicky Horne. 1.00 First Report. 1.10 Nicky Horne (continued). 3.00 Roger Scott. 7.00 London Tonight. 9.00 Peter Young (rock music). 11.00 Tony Myatt's Late Show. 2.00 am Night Flight.

F.T. CROSSWORD PUZZLE No. 4,546



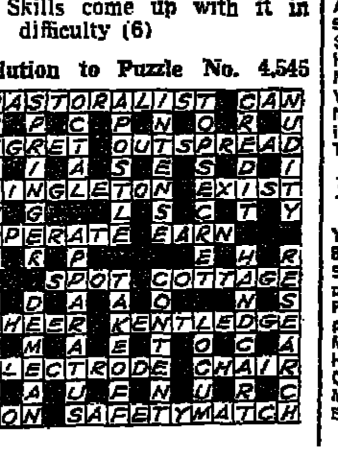
ACROSS

1 Pupils of Felix make the way clear (4-4)
5 Could be a dance beside Spey valley (6)
9 Girl goes to prison in Yugoslavia (8)
10 Beast of prey on wheels (6)
11 Important example of litotes (3,5)
13 Frolic lands doctor in prison (6)
14 An expert healthy and competent—that's advantageous (10)
18 He found the solution in Bath (10)
22 "More honoured in the —— than the observance" (Hamlet) (6)
23 David was the sweet one of Israel (8)
24 Bacon must get back for a game (6)
25 A girl with an ancient mantle gets a trunk (8)
26 Swift dash—it's the bare essential (6)
27 Pertinent about the Near East (8)

DOWN

1 Future care of China (6)
2 This evening in America can be explosive (6)
3 Followed the girl in the finish (6)
4 Oriental maid with a sign for the spies (10)
6 Social gathering caused trouble in Massachusetts (3-5)
7 Lily with a couple of bachelors—it's just sweet (1, 3, 4)
8 The start of an epitaph shows he is dependent (4, 4)
13 Astringent to have with dessert (5-5)
15 Item 4 on the Walrus's agenda (8)
16 South American bird makes a sensational headline (8)
17 A certainty getting on a tree (8)
19 Satisfy the rest with a record rise (6)
20 A growing form of Maoism (6)
21 Skills come up with it in difficulty (6)

Solution to Puzzle No. 4,545



ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. S 836 3161. CC 240 5258. ENGLISH NATIONAL OPERA. Tonight & Sat. 7.00. JULIUS CAESAR. Tomor 7.30. BARTOK TRIPLE BILL in collaboration with London Festival Ballet. 104 balcony seats avail on day.

COVENT GARDEN. 240 1066. S. (Gardencharge CC 836 6903.) 65 Amphi-seats avail for all perfs from 10 am on the day of perf. THE ROYAL OPERA. Ton't at 7.30 L'elisir d'amore. Tomor at 6.30. Mon at 3.30 Lohengrin. THE ROYAL BALLET. [illegible]

SADLER'S WELLS THEATRE. [illegible]

THEATRES

OLD VIC. 928 7616. CC 261 1821. S. Ton't. Tomor. Mon & Tues at 7.30. Sat at 2.00 & 7.30. Prunella Scales & Timothy West in THE MERCHANT OF VENICE.

PALACE. S. CC. 01-437 6834. RODGERS & HAMMERSTEIN'S OKLAHOMA! Evgs. (inc. Gd. Fri.) 7.30. Mats. Wed. & Sat. 3.00. Group bookings 01-379 6061. Better selection of seats available Mon.-Thurs.

LONDON PALLADIUM. 437 7373. OPENING JUNE 11. Reduced prices previews from May 29. MICHAEL CRAWFORD in the gigantic Broadway musical BARNUM. ADVANCE SALES OPEN NOW! Use the Barnum hotlines 437 2055, 01-734 8961 or instant credit card reservations.

PALLADIUM. 01-437 7373. Tonight, Tomorrow and Friday at 8.00. Sat. 6.15 & 8.45. Easter Sunday 5.0 & 8.0. ELLA FITZGERALD AND OSCAR PETERSON in concert. Opens April 28. 2 weeks only. The Liberace Show '81 starring MR. SHOWMANSHIP LIBERACE with supporting company. Box Office now open. Credit cards accepted.

PICCADILLY. S. 437 4506. 379 6565. Group bookings 836 3962. 379 6061. Mon.-Fri. 8. Mats. Wed. 3. Sats. 6 and 8.40. Stalls from £2.90. Extra perf. Good Friday-Easter Monday 8.0 pm. ROYAL SHAKESPEARE CO. in Willy Russell's new comedy EDUCATING RITA. Comedy of the Year SWET Award 1980. RSC also Aldwych. Warehouse. Box Office opens Good Friday & Easter Monday 12 noon-8 pm.

PRINCE EDWARD. S. CC. Box Office 437 6877. CC Hotline 439 8499. Group sales 379 6061. Evgs. 8.00. Mats. Thurs. (Economy price) and Sat. 3.00. EVITA by Tim Rice and Andrew Lloyd-Webber. Directed by Harold Prince.

PRINCE OF WALES THEATRE. 930 8681. Credit card bookings 930 0846. PAUL DANIELS in IT'S MAGIC. Mon.-Thurs. 8.00. Fri. and Sat. 6.00 and 8.45. EASTER perfs. Good Friday as normal. EXTRA Mats. 20th and 21st April & May 4th & 25th at 3.00.

QUEEN'S. S. CC. 01-734 1166. 01-439 3849. 01-439 4031. PENELOPE KEITH, Peter JEFFREY, Barbara FERRIS in MOVING. A new play by Stanley Price. Directed by Robert Chetwyn. Eves. 8.0. Mats. Wed. 3.0. Sat. 5.0 and 8.15. Group sales 01-379 6061.

RAYMOND REVUEBAR CC. 01-734 1593. At 7.00. 9.00. 11.00 pm. Open Suns. PAUL RAYMOND presents THE FESTIVAL OF EROTICA. New Acts. New Girls. New Thrills. 23rd sensational year. Fully air-conditioned.

ROYAL COURT. S. CC. 730 1745. THE SEAGULL by Chekhov. A new version by THOMAS KILROY. Eves. 8. Mon. all seats £2. No perfs Good Friday.

ROYAL COURT THEATRE UPSTAIRS. 730 2554. GLASSHOUSES by Stephen Lowe. Evgs. 7.30. No latecomers. No perf. Good Friday.

SAVOY. S 01-836 8888. CC. bkgs. 839 7516-4682-4855. 9.30-6.00. Sats. 9.30-4.30. Group sales 01-379 6061. OPENS APRIL 29 at 7.0 (seats available). book now! SUSAN HAMPSHIRE, GERALD HARPER in FRANCIS DURBRIDGE'S New Thriller HOUSE GUEST with PHILIP STONE.

ST. MARTIN'S. CC. 836 1443. Evgs. 8.0. Tuesday 2.45. Saturday 5.0 and 8.0. Good Friday 17 April at 8 pm. Agatha Christie's THE MOUSETRAP. World's longest-ever run 29th Year.

SHAFTESBURY. CC. Shaftesbury Ave. WC2. Box Office 836 6596 or 836 4255. Credit card bkgs. 839 7516. 839 4632. 839 4855 (9.30-6.0. Sats. 9.30-4.30). Group bookings only 01-839 3092. TOM CONTI and GEMMA CRAVEN THEY'RE PLAYING OUR SONG. Prices Stalls Royal Circle £8.00. £6.50. £5.00. Circle £3.50. £2.50. OAPs £4.00 (Wed Mats only (best seats) Student standby £4.00). Evgs 8.0. Matinees Wed 3.0. Saturdays 5 & 8.30. Good Friday at 8.0.

SHAW Theatre. 100 Euston Rd. 01-388 1394. APRIL 27 FOR 3 WEEKS ONLY. Mon-Thur Evgs 8.0. Fri & Sat 6.0 & 8.30. HENRY McGEE and MANDY RICE-DAVIES. TOM STOPPARD'S DIRTY LINEN. Seats £5.00-£2.50.

STRAND. 01-836 2660. 836 4143. Evenings 8.0. Mats. Thurs. 3.00. Sat. 5.30 and 8.30. LONGEST-RUNNING COMEDY IN THE WORLD. NO SEX PLEASE—WE'RE BRITISH. Directed by Allan Davis. Group sales Box Office 379 6061. GOOD FRIDAY PERFORMANCE AT 8.0.

TALK OF THE TOWN. 01-734 5051. Air conditioning. Credit cards. [illegible] GREAT NIGHT OUT. [illegible] Dining and Dancing. [illegible] preceded at 9.30 by [illegible] "BUBBLY." DANCING UNTIL [illegible]

VAUDEVILLE. S. CC. [illegible] EVENINGS & Good Fri [illegible] Wed 2.45. Sats 4.00. [illegible] Dinah Sheridan, Gwen [illegible] Adams in PRESENT LAUGHTER by Noel Coward. Group sales Box [illegible] 6061.

VICTORIA PALACE. CC. [illegible] 01-834 1317. Evgs. 7.30. [illegible] 2.45. Group sales 01-379 [illegible]

WAREHOUSE. Donmar Theatre. Earlham Street, Covent Garden. [illegible] 6803. ROYAL SHAKESPEARE COMPANY. Ton't. Tomor 7.30 [illegible] duction THE ACCRINGTON PALS by Peter Whelan. All seats [illegible] £2.00 in advance from [illegible] Office.

ADELPHI. S. CC 01-836 7611. Evs. 7.30. Sat. 4.00. 7.45. Mats. Thurs. at 3.00. Good Friday Perf. at 7.30 (no Perf. on Easter Monday). TONY BRITTON, JILL MARTIN, PETER BAYLISS and ANNA NEAGLE in MY FAIR LADY. Now booking through to October. For group bookings telephone 01-836 7358 or 01-379 6061.

ALBERY. 01-836 3878. CC bkgs. 379 6565. Grp bkgs. 379 6061 or 836 3962. Evs. 8.00. Thurs. Mat. 3.00. Stalls from £2.90. Sat. 5.00 and 8.15. Extra Perfs. Good Friday-Easter Mon. 8.00. Sian Phillips, Denis Lawson. (Most Promising new Actor DRAMA AWARD 1980) Rodgers and Hart's musical PAL JOEY. Box Office open Good Friday & Easter Monday from 12 noon to 8 pm.

ALDWYCH. S 836 6404. CC 379 6233 (10-6. Sats 10-4). Info 836 5332. ROYAL SHAKESPEARE COMPANY. Seats avail. Ton't 7.30. Tomor 7.00. Low price previews. press night THE KNIGHT OF THE BURNING PESTLE. A new production of Beaumont's comic masterpiece. In rep. with Nicholas Nickleby from 23 April. Prestel booking 22023. Group Sales 379 6061. RSC also at: The Warehouse-Piccadilly.

AMBASSADORS. S. CC. 836 1171. Evs. 8.0. Tues. Mat. 3.0. Sat. 5.30 and 8.30. Extra performances Good Friday and Easter Monday at 8 pm. 150th PERFORMANCE 25 APRIL of J. B. PRIESTLEY'S Mystery Play DANGEROUS CORNER. Acclaimed revival of Priestley's most popular play.

APOLLO. Shaftesbury Ave. W1. S. CC 01-437 2663. DIANE LANGTON. BEN CROSS in I'M GETTING MY ACT TOGETHER AND TAKING IT ON THE ROAD. The new smash hit musical. Mon.-Thur. 8.15. Fri. and Sats. 6.00 & 8.45. No perf. Good Fri.

COMEDY THEATRE. S. CC. 01-930 2578. Limited season until 23 May only. Evenings 7.15. Mats Thurs 2.00 (note early start). No perf Good Friday. Extra Mat Sat 2.00. The National Theatre smash-hit production from the Cottesloe of ARTHUR MILLER'S THE CRUCIBLE. Directed by Bill Bryden.

CRITERION. S 930 3216. CC 379 6565. Grp. bkgs. 836 3962 or 379 6061. Evgs. 8. Sat 6 and 8.45. Extra perfs Good Friday. Easter Mon 8 pm. Box Office open Good Fri-Easter Mon 12 noon to 3 pm. MARTIN CONNOR, DAVID DELVE, TRICIA GEORGE, PETER REEVES deliver the songs and words of TOM LEHRER with huge polish and glee in TOMFOOLERY a satiric musical revue.

DRURY LANE. Theatre Royal. Tel 836 8108. THE BEST LITTLE WHOREHOUSE IN TEXAS. Evgs. Mon. to Thur. 8.0. Fri. and Sat. 5.30 and 8.30. No perfs Good Fri. Group sales Box Office 379 6061.

DUCHESS. CC. 01-836 8243. Evenings 8.00. Mats. Wed. 3.00. Sats. 5.30 and 8.30. FRANCIS MATTHEWS, GEORGE SEWELL and LYNETTE DAVIES in THE BUSINESS OF MURDER.

DUKE OF YORK'S. S. 836 5122. Evenings 8.00. Saturday 5.00 and 8.30. DAVID DE KEYSER in TOM KEMPINSKI'S DUET FOR ONE. Credit cards only 836 9837. 379 6565. 839 4682. Group bookings 836 3962. 379 6061.

FORTUNE. S. CC. 01-836 2238. Opens April 22 at 7.0. Sub. Evgs. 8.15. Matinees Wed. 3.0. Sats. 5.0. ROY DOTRICE in MISTER LINCOLN.

GARRICK. S and CC. Charing X Rd. Mike Leigh's Smash Hit GOOSE-PIMPLES. Opens April 29th. Box Office now open. 01-836 4601. Seats £3. £5. £7. Group Sales: 01-379 6061.

GLOBE. S. CC. 01-437 1592. 01-439 6770. SEASON ENDS MAY 16. Standing room Tonight £1.50 and £2. ROWAN ATKINSON IN REVUE. Mon.-Fri. Evgs. 8.00. Sat 6.00 and 8.45.

GREENWICH THEATRE. S. CC. 858 7755. Evgs. 8.0. Mat. Sats. 2.30. Ends Sat. CONSTANCE CUMMINGS. ANGELA THORNE in THE GOLDEN AGE. by A. R. Gurney.

HAYMARKET. Theatre Royal. CC. 01-930 9832. LAST WEEK. SEASON ENDS SATURDAY. Evgs. 8.00 (including Good Friday). Maggie Smith VIRGINIA. A new play by Edna O'Brien from the lives and writing of Virginia and Leonard Woolf. Directed by Robin Phillips. Latecomers may not be admitted.

KING'S HEAD. 226 1916. Dnr 7.00. Show 8.00. No Perf. Good Fri. UP IN THE 30s by Neville Phillips and Robb Stewart.

LYRIC. S. CC. 01-437 3686. Evgs. 8.00. Wed. 3.00. Sat. 5.30 and 8.30. DINSDALE LANDEN, NICOLA PAGETT in ALAN AYCKBOURN'S TAKING STEPS.

LYRIC HAMMERSMITH CC 01-741 2311. Theatre Closed Good Friday. From Today. Daily 2.30. Sats & Easter Mon 10.30 am & 3 pm ROLF HARRIS with his all fun show for children. Under 16's Half Price. Until 25 April Evgs 8 pm John Bardon as Max Miller in HERE'S A FUNNY THING by R. W. Shakespeare. Tkts £1 to £3.50. From 30 April reduced price previews TOTAL ECLIPSE by Christopher Hampton. Dir David Hare. LYRIC STUDIO: Previews from Tomor at 8.0 (Tues 7.0) PRIVATE DICK by Richard Maher & Roger Michell. Cast includes Robert Powell.

MAYFAIR THEATRE (near Green Park Undgd.). 629 3036. Gp. sales 379 6061. Mon.-Fri. 8. Sats. 5.15 and 8.15. Mats. Wed. 2.30. THE FLYING KARAMAZOV BROTHERS. Juggling and Cheap Theatrics.

NATIONAL THEATRE. S. 928 2252. Building closed Good Friday. OLIVIER (open stage): Ton't 7.15 AMADEUS by Peter Shaffer. Tomor 7.15 A MONTH IN THE COUNTRY. LYTTELTON (proscenium stage): Ton't. Tomor 7.45 THE PROVOKED WIFE by John Vanbrugh. COTTESLOE (small auditorium—low price tkts): Ton't 7.30 DON JUAN by Moliere trans. by John Fowles. Tomor 7.30 THE CHILDREN'S MUSIC THEATRE in CAPTAIN STIRRICK. Excellent cheap seats from 10 am day of perf all 3 theatres. Also standby 45 mins before start. Car park. Restaurant 928 2033. Credit card bkgs. 928 5933. NT also at the COMEDY THEATRE.

NEW LONDON THEATRE. CC. Drury Lane London WC2. 01-405 0072. PREVIEWS FROM APRIL 22. PRESS NIGHT NOW MAY 11. Credit and Telephone booking from 9 am. CATS. A MUSICAL BY ANDREW LLOYD WEBBER BASED ON OLD POSSUM'S BOOK OF PRACTICAL CATS by T. S. ELIOT. CATS. Additional Box Office (at normal theatre prices). The Ticket Centre (by Wyndham's Theatre), St. Martin's Court, Charing Cross Road, London WC2. 01-240 2150. BOX OFFICE NOW OPEN! A few seats available at theatre prices for charity performances on 23, 24, 27, 29 April. For Group sales 01-405 0073 or 01-379 6061.

THEATRES

WHITEHALL. CC. Box Office 930 6692/7765. Credit Card Sales 839 6975. Whitehall's Latest Farce ANYONE FOR DENIS? by JOHN WELLS. Directed by DICK CLEMENT. Starring JOHN CATER, NICHOLAS FARRELL, EDWARD FOX, JOHN NETTLETON, JOAN SANDERSON, ANGELA THORNE, JOHN WELLS, JEFFRY WICKHAM. Reduced Price Previews from April 28th. Opens May 7th.

WINDMILL. CC. 01-437 6312. Twice nightly Mon.-Sat. 7.0 & 9.0 pm. Sun 6.0 & 8.0 pm. Paul Raymond presents RIP OFF! Hotter than ever for 1981. The erotic experience of the modern era. 5th great year.

WYNDHAM'S. S. 01-836 3028. Credit card bkgs. 379 6565. Mon.-Fri. 8. Sats. 6 & 8.45. Extra perfs. Good Friday-Easter Monday 8.00. Dario Fo's farce ACCIDENTAL DEATH OF AN ANARCHIST. Box Office open Good Friday & Easter Monday from 12 noon to 8 pm.

YOUNG VIC. 928 6363. Eves. 7.30. All seats £2.30. Ton't Sat Last Perfs PYGMALION. Thu Last Perf Stoppard's R & G Are Dead.

CINEMAS

CLASSIC ENTERTAINMENT. Teledata 01-200 0200

CLASSIC 1, 2, 3, Haymarket (Piccadilly Circus Tube). 01-839 1527. Last Perfs. bookable all screens. 1: SUPERMAN II (A) in Dolby Stereo. Progs. 12.20 (not Sun.). 2.40. 5.25. 8.20 (Doors open 8.05). 2: LITTLE LORD FAUNTLEROY (U). Progs. 1.00 (not Sun.). 3.10. 5.30. 8.15. (Doors open 8.00). 3: RAGING BULL (X) in Dolby Stereo. Progs. 12.20 (not Sun.). 2.55. 5.30. 8.25 (Doors open 8.00).

CLASSIC 1, 2, 3, 4, 5. Oxford St. 01-636 0310. Opp. Tottenham Crt. Rd. Tube. Fully air-conditioned. 1: ROCKSHOW (U) in Dolby Stereo. Progs 1.30. 3.40. 6.00. 8.20. 2: ORDINARY PEOPLE (AA). Progs. 12.50. 3.20. 5.50. 8.25. 3: COAL MINER'S DAUGHTER (A). Progs. 12.45. 3.15. 5.45. 8.20. 4: THE LONG GOOD FRIDAY (X). Progs. 1.30. 3.50. 6.10. 8.30. 5: AIRPLANE (A). Progs. 1.00. 3.00. 5.00. 7.00. 9.00.

CLASSIC Leicester Square. 01-930 6915. BAD TIMING (X). 12.40 (not Sun.) 4.35. 8.25. THE BRUTE (X). Sun. & Wk. 2.45. 6.40.

CURZON. Curzon Street. W1. 499 3737. BURT LANCASTER, SUSAN SARANDON in LOUIS MALLE'S ATLANTIC CITY (A). Film 2.00 (ex. Sun.). 4.05. 6.20. 8.40.

ODEON HAYMARKET (930 2738-2771). CHARIOTS OF FIRE (A). Sep. progs. dly. 2.25. 5.50. 8.55.

ODEON LEICESTER SQUARE (930 6111). Robin Williams is Popeye & Shelley Duvall is Olive Oyl. POPEYE (U). Sep. progs. dly. drs. open 11.45 (not Sun.). 2.20. 5.15. 8.15. All seats bookable by post or at the Box Office.

ODEON MARBLE ARCH W2 (723 2011-2). THE KIDNAPPING OF THE PRESIDENT (X). Sep. progs. drs. open dly. 1.15 (not Sun.). 4.15. 7.30.

PRINCE CHARLES. Leic. Sq. 437 8181. British Premiere Presentation CALIGULA (X). Sep. Perfs Dly (inc. Sun). 2.15. 5.30. 8.45. Late Show Fri & Sat 11.55. Seats Bkble. Lic'd Bar.

STUDIO 4. Oxford Circus. 437 3300. Lic'd Bar. SUPERMAN II (A). Sep Perfs Dly 2.15. 5.15. 8.15. Late Show Fri & Sat 11.15. Seats Bkble.

ART GALLERIES

BLOND FINE ART. 33, Sackville St., W1. 437 1230. CEDRIC MORRIS. Until 9 May.

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THE ARTS

Television

Granada is streets ahead by CHRIS DUNKLEY

In May Granada Television will celebrate its Silver Jubilee. Those viewers who trouble to consider ITV's networked output in terms of the 15 regional companies contributing to it probably think of Granada as the one which makes *Coronation Street* and that alone is, of course, a justifiable claim to fame. The workingclass saga has run for more than 20 years and been exported to countries as unexpected as Finland, Greece and Thailand. (I once saw an extract with subtitles not only along the bottom but also *in pictograms up the right*-hand side; there wasn't much picture left.)

Moreover the relatively high level of writing and direction in *Coronation Street* which has always kept it several streets (no other metaphor will do) ahead of ATV's *Crossroads* has been carried over into *Crown Court*, another long-running drama series from Granada which most readers of this paper will have seen only rarely if at all since it is transmitted on weekday afternoons. Its appeal *seems to me quite broad* enough to merit evening transmissions, and its quality *is certainly high* enough. But for all their quality and popularity these are not the most interesting of Granada's programmes.

It is significant that when the company went on the air on May 3, 1956, its very first transmission began with—of all things—a tribute to the BBC. The significance is that Granada went on to do more than any other commercial television company to sustain the standards of broadcast journalism set by the Corporation.

What is more they began, almost at once, to push out the boundaries of television current affairs and to develop, in fact to invent, new ways for television to practice journalism. Granada's longest running series is *What The Papers Say*, a programme first transmitted on *Bonfire Night in 1956*. It is only 15 minutes long, and gets dreadful treatment from the network: In some regions it is not shown at all, in London it goes out at *midnight*, and even in Granada's region it goes out at 11.30.

But at least they did devise it and do continue to make it. It is the only programme any*where on British television* which even attempts to do for Fleet Street and the viewer what numerous newspaper columns such as this one seek to do for television and the reader: to keep a critical watching brief on the activities of the other mass medium.

For the moment we will gloss over the fact that practically all the presenters of *What The Papers Say* are borrowed from Fleet Street and merely note in passing that last week's edition, which was presented instead by television executive Gus Macdonald, was one of the most bizarre ever screened: he seemed to be suggesting that the recently revealed 1968 anti-Wilson plot was actually hatched inside ITV. Of course, at that time of night one may have been quite literally dreaming.

From its earliest days Granada fought against the hitherto deferential, sometimes obsequious, attitudes towards politicians and politics in British brodacasting. Granada opposed the appalling "14 Day Rule" which banned broadcast discussion of any subject due for *debate in Parliament in the* ensuing fortnight, and in 1956 it was revoked. It started live broadcasts from the TUC Conference and the annual Labour and Conservative party conferences. Its coverage of by-elections established new ground rules for what was permissible for broadcasts during elections.

Then in January, 1963, Granada started *World In Action*, a hard-nosed, hard-digging half-hour programme which, although it was a youngster beside *Panorama* and even *This Week*, set new standards for determination and conciseness in current affairs. Edition No. 1 was called "The Atomic Arms Race." Last Monday, 18 years later, the programme was back to the same topic, investigating in typical style (and throwing considerable doubt on) the notion so assiduously fostered by the Kremlin, the Pentagon, and U.S. arms manufacturers that the Red Army is much bigger and better than its Western counterparts.

In the early days the programme expanded the idea of where television journalists might be expected to go: *World In Action* would go anywhere from the Congo to East Germany to Rhodesia (Editions 2, 3 and 4) with or without permission. But although they did manage to penetrate the Warsaw Pact nations, even becoming experts at snatching clandestine film footage either by posing as tourists or by hiding their equipment, it was clear that such programmes would never be as *satisfactory* as properly made ones. Furthermore though it might breach the Iron Curtain even Granada could not get cameras past the last bastions of British obscurantism: Whitehall and the Westminster Parliament.

These, and perhaps the determination that television should not cede any territory to the exclusive coverage of print journalists, seem to have been the motives which led to the development by *World In Action* producers of three closely associated but quite different ways for television to deal with "unapproachable" subjects: the drama-documentary, the Cabinet reconstruction, and the hypothetical.

Of course they all have antecedents: the drama-documentary in documentary and drama, the Cabinet reconstruction in the Lobby journalism of newspapers, and the hypothetical in the "Harvard Hypotheticals" organised for industry in the U.S. There is nothing new under the sun. But the changes and the impressively strict and uniquely well-publicised rules introduced by Granada to make them work in a new medium are quite unusual enough to support the claim (which, oddly in the TV world of hype and ego trip, Granada itself never seems to have made) that together these three systems form the most important development in British television journalism precisely because they are *television* techniques. Precious few other methods could claim as much, having been lifted unaltered from the cinema or Fleet Street.

They share the single aim of achieving a highly accurate imitation of reality. The drama-documentary (holding itself scrupulously aloof from the "faction" of *Holocaust* or *Suez*) most recently seen in Leslie Woodhead and David Boulton's *Invasion*, an extraordinarily detailed account of the Soviet invasion of Czecho*slovakia with an astounding* climax in Moscow, uses actors to reconstruct historical events as authentically as possible.

Cabinet reconstruction, developed by Brian Lapping and Norma Percy and last seen on the eve of the Budget in *Inside The Cabinet*, employs journalists who use conventional Fleet Street methods to establish and then re-enact as accurately as they can the workings of the Cabinet.

In hypotheticals the tables are turned and it is the ideas which are the imitations while the people are authentic, though Granada has to wait until the politicians are out of office and the civil servants retired or moved into industry before they can employ them. *Hence all the Labour politicians* and the ex-civil servants in this week's three hypotheticals, called *High Office*, which started last night.

Two points emerged particularly clearly from this new trio: first that in a hypothetical the louder the laughter, the closer are the home truths. Gathered into artificial intimacy in one room, politicians and civil ser*vants guffaw when they spot* any authentically human admission winging its way into a million homes. Note the reaction tonight to Joel Barnett's judgment on a hypothetical paper from the Department of Enterprise: "Of *course* it would be misleading."

Second, although it is conceivable that such a large group could conspire to mislead us on a merry dance, just one impassioned participant reacting authentically can force the others to respond realistically too or risk looking as silly on television as they might in real life—a sort of virtuous circle.

It is not the hypotheticals, however, which give rise to one of the most interesting aspects of these programmes but the drama-documentaries and the Cabinet reconstructions. They produce in certain print journalists the sort of spluttering vituperation which Malcolm Muggeridge spreads across the entire medium. Paul Johnson described *Inside The Cabinet* as "a public imposture . . . a work of fiction . . . in some respects . . . of pure fantasy." He claimed that the viewer, meaning himself presumably, "does not know whether he is getting theatre or documentary" and he admitted "Naturally he is confused."

It does take time of course to come to terms with any new mass medium. The spread of books and literacy terrified an earlier set of old priests, and it took years for print journalists to construct and convey to the public the intricate, sometimes baroque, structure of Lobby conventions. But the tests for trustworthiness don't change much. Just as you have to check the internal evidence in those printed columns which depend upon "usually reliable sources," and compare one account with *another, so you have to apply* similar tests to television.

Ultimately it is the integrity of individual journalists and the groups they form which really counts, of course, and it takes time to establish that. But it is notable that those best placed to know have repeatedly commented on the extraordinary authenticity of Granada's reconstructions. If forced to choose now, after 25 years of Granada journalism, between its team and the Muggeridge/Johnson school, I would plump instantly for Granada. Its work is streets—Coronation and Fleet—ahead of much popular journalism today.

A scene from Invasion

Covent Garden

Hamlet by CLEMENT CRISP

Michael Batchelor is the young man who gets it right. In many ballets—in *Swan Lake*'s quartet, as one of *Mayerling's* Hungarians, among *Rhapsody's* male sextet—the eye is drawn to impeccable line, a clarity of step, an easy musicality, which are all qualities that Batchelor brings to his roles. For a couple of years he has seemed poised on the brink of better things, and on Monday as Helpmann's Hamlet he demonstrated his right to them when he replaced the indisposed Anthony Dowell. It is not a part which offers much chance to his exemplary abilities as a classical dancer, and it is all the more a measure of his artistic stature that he should fill out the character with such distinction.

Hamlet's sufferings amid the *nightmare* flux of the action were stated with entire conviction. By turns fraught, angry, haunted, Batchelor took the stage like a prince and dominated the drama in no uncertain terms. Especially good in his sharp reactions to Ophelia *and Gertrude, he gave the ballet* a clear emotional focus. It was an excellent debut, with Marguerite Porter a very touching foil as an Ophelia whose gentleness is swiftly turned to frantic despair.

The programme had begun with *Les Sylphides*. With its under-lit set and the company's po-faced manner, these nocturnal dances were an expression of faint regret rather than moon-lit delight. The all-purpose moping which seems customary for any of the sprites of the Romantic age, be they wili or sylphide, is wrong-headed, missing their essential natures as creatures of the air. Fokine's tribute to them is a ballet about flight — movement snatched for a brief time from the night breezes—and the joyless fashion in which it is now danced denies both its lightness and its poetic capriciousness. Only the Kirov Ballet seems to realise that the choreography should soar and cover the stage with an almost exultant delight in dancing beneath the moon.

Rhapsody has now returned to the repertory to close the evening. It lacked something in precision from its male contingent — Michael Batchelor the inevitable and honourable exception — but the sextet of girls was beautiful *in lyrical exactness, and Lesley Collier darted* through her created role, the steps flying from her feet like water from a fountain glittering in the sunshine. Philip Gammon continues to give a most eloquent account of the bravura piano writing.

St. John's, Smith Square

Mozart

The BBC Lunchtime Concert on Monday consisted of Mozart's only string trio, the Divertimento K.563, played by three-quarters of the Amadeus Quartet. It really is a concert by itself, granted adequately generous repeats such as the Amadeus players gave us (the first-section repeat in the Adagio, indeed, must have been prompted by affection rather than any felt formal need). Its six movements, though predominantly gentle in tone, reveal rich contrasts in a searching reading — which under the circumstances was guaranteed.

The Amadeus team cast a haze of autumnal feeling about the work: partly a matter of dwelling tenderly upon the implications of every phrase, partly a trick of softening Mozart's staccatos regularly into half-staccatos. The sprightly assertiveness of the first Menuetto was tamed and sweetened — after an Adagio so expansively tender, it had to be. In the Andante variation-movement Norbert Brainin was ingeniously wayward, bringing a new dash of spirit to the performance; the second Menuetto boasted a bit of knees-up *Ländler* in its second trio, followed by a tipsy lurch in Brainin's mini-cadenza.

For some tastes there may have been a superfluous spoon*ful of sugar in the Amadeus* Finale, but the flavour of the main tunes was varied at each return with seasoned subtlety. It could go without saying that Peter Schidlof and Martin Lovett matched Brainin point for point in this extraordinarily rich music, which is at once as spare as the trio-medium prescribes

DAVID MURRAY

Newhouse, New York

One-act Festival by FRANK LIPSIUS

In the latest effort to revive the Lincoln Centre Theatre Company, Edward Albee has organised a festival of other people's one-act plays. The season will have nine plays, the first three of which are now at the Mitzi E. Newhouse Theatre. Mr. Albee begins with two remarkably similar works about unpleasantly aggressive young women, both played by Kathleen Widdoes.

Jeffrey Sweet's *Stops Along The Way* is reminiscent of the he-man lyrics of country-music songs, where roadside drama accompanies the last throes of an abortive five-week romance. Seven scenes crowd the one-act play, moving from a café to a garage, then to a motel room where the woman takes a last assault on the lover who was once her university instructor. His impassiveness only brings out her abrasive determination as she desperately resists being returned to her husband in Baltimore. The overlong sequence of *failure does pro*vide a funny moment when the unresponsive lover tries to unload his unwanted passenger on to Wiliam Newman playing a bar-room acquaintance, also on his way to Baltimore. The rest of the play seems to bring out the worst in two people who stopped communicating long before they reach the journey where the audience sees them.

The second play, *In Fireworks Lie Secret Codes*, written and directed by John Guare, takes place on a New York Penthouse terrace where five unnamed spectators watch Fourth of July fireworks. The uninspired dialogue fails to get a lift either from the interruptions caused by the unseen fireworks or from the excessive reference to New York commercial landmarks like Macys and Bloomingdales department stores. James Woods plays an Englishman torn between his male flatmate and a flirtatious young lady. He mildly and inconclusively responds to both. But contrary to the title, the fireworks provide only a disjointed excuse for an already confused conversation, leaving few clues to the ultimate disposition of the romantic triangle and ending with less a bang than a whimper.

Percy Granger's *Vivien*, like *Stops Along The Way* directed by Kevin Conway, redeems the evening with the simple and affecting story of a son who takes his mentally disturbed father for a day outside his incarceration in hospital. Michael Egan is the one older character to appear in any of the three plays and he shows a quiet mastery of his role that gives the old man a shred of dignity despite the narrow confines of his life. James Woods makes a sympathetic son who overcomes his father's initial refusal to recognise him and gently massages the old man's belligerance into a grudging acceptance of his help and attention. One would not suspect from the first three examples that the one-act form is flourishing in America or that the Festival, despite its good intentions, will inspire much of a revival.

A scene from In Fireworks Lie Secret Codes

Tricycle, Kilburn

The Opera by ROSALIND CARNE

As the Monkey voyages in search of the Fabulous Beast she leaps nimbly from a huge netted rope, clutches herself, and sings: "I want to have a dream, a sensible dream, with ideas all connected to a central theme."

It seems then that Cunning Stunts are fully aware of the possible pitfalls of this mixed bag of antics. When their wit and skill take the foreground, they can be a tremendously entertaining troupe. But in this strangely contrived display, *their talents* are all too often overshadowed by the tenuous linking of a contrived scenario and the overwhelming presence of extraneous objects.

The Opera is centred on the court of the Child Queen, the fate of whose members is controlled by the mystic power of the Moon. As the Moon stems the tides, the prevailing mood here is one of watery whimsicality. The Fabulous Beast is the court scapegoat, who escapes the Child Queen's tyran*nical domination and* is pursued by the Monkey, the Owl and the Raven.

But description is misleading. There is nothing so coherent in this self-styled opera. When the team is at its best, tap-dancing in flippers in the Underwater Dive, or crooning over the "Will to wander," it could fit very easily into any variety show or circus act—the theme is forgotten. It only gathers substance in relation to the music, original and the most stunning aspect of the whole event. (I refer to instruments and effects, as the singing is poor.)

Mid-show the audience is treated to an instructive lecture on the subject. When invited to participate, its response is enthusiastic. Unfortunately the musical direction of Sarah Hopkins, the cellist, peters out just as we get going.

The cast clearly enjoys itself, but for everyone *else* the experience is not unlike arriving sober at a party and finding everyone else drunk and in fancy dress — very fancy. The Raven lours and flashes like the villain in a pantomime. The Moon, all vanity, sheds her ruff *and her aura and switches from* blue to silver.

However, there was for me one truly memorable and touching moment when Helen Crocker as the Owl learns to fly. She trembles feverishly, suffering the pangs of a kind *of birth in a glorious mime*-dance. Her arms become huge wings. They are props, of course, but well deserved, unlike many other bits and pieces in this maddening collection of theatrical trappings.

English Bach Festival

To celebrate the tercentenary of the birth of Telemann the English Bach Festival is per*forming excerpts from* his Tafelmusik, or Musique de Table, at a dinner in the Banqueting Hall in Whitehall on May 16. The dancers will be dressed in costumes based on 18th century designs and the cost, including the meal and wine, will be £17.50.

Other events in this year's English Bach Festival include a Divertissement, a Versailles-style entertainment with music by Bach and Rameau, to be held *at the Banqueting* Hall on May 14; a Bach in Costume evening the next day in the same venue, and concerts on the South Bank including a British première of a work by Henze, a new composition by Nigel Osborne, and concerts by the Tolzer Boys Choir of Munich and the English Gamelan Orchestra.

Royal charity premiere for 'The Competition'

The Queen and Prince Philip will attend the UK opening of the film *The Competition* at a Royal charity premiere on June 8 at the Columbia Theatre, Shaftesbury Avenue.

The premiere will aid the Missions to Seamen, celebrating its 125th anniversary, and the Variety Club of Great Britain.

The Competition stars Richard Dreyfuss, Amy Irving, Lee Remick and Sam Wanamaker.

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Beginning to get uncivil

CURRENT DEVELOPMENTS in the Civil Service dispute, marked by continued inaction from the Government and escalation by the unions, do little credit to anyone concerned. The unions seem to have concluded that since they seem unable to win any sympathy from the general public, they must demonstrate their potential nuisance value; the Government may well feel that in these circumstances, inactivity is masterly, since the unions are destroying their own case.

Strong feelings

These are shortsighted views on both sides. The union strategy, which was initially to avoid inconvenience to the voters, has been reversed very much in the spirit of the small child who threatens all kinds of enormities, climaxed with "... and then I'll run away, and *then* you'll be sorry." As every parent knows, this means simply that the child is feeling unloved. The Civil Service actions seem to have very much the same motivation. Morale in the service is at the lowest point most serving administrators can remember. Civil servants feel, with some justice, that bureaucrats have become scapegoats for problems of the world at large.

However strong the feelings of civil servants, and however provocative they may find the Government's long silence, the union leadership should not be giving way to childish spite from those it is supposed to lead. Action aimed at our nuclear defences may seem perfectly reasonable to Left-wing nuclear disarmers, but most of the public will simply be surprised to learn that nuclear maintenance was ever a Civil Service function, and find it entirely natural that the armed services should take over the job—and perhaps take it over for good. The action by the coastguards—which appears to be spontaneous — could endanger the lives of seamen, and is really shocking; the leadership should surely disown such action, and order its members back to work, if it wishes to be regarded as responsible.

However, the disruption of holiday traffic, which is deliberately planned, is nearer to the heart of the present impasse. The unions are expressing an understandable frustration, but in a very self-destructive way. They seem to have forgotten that deliberate assaults on the general public, by a whole series of unions from bakers and baggage handlers to train drivers and coal pickets, have been an important cause of the whole public revulsion against unions which helped to bring Mrs. Thatcher to power. For precisely this reason, the Government may feel that given time, the unions will destroy their own case—a deeply misguided response to misguided action.

The Government has always placed a major improvement in administrative efficiency as one of its basic aims; this will hardly be achieved through a cowed and sullen executive staff. Some reform of the structure of the service may also be desirable, and the Government will almost certainly wish to establish certain branches of the service where it will be understood, as in the police and the armed services, that strike action is out of the question.

New formula

Such changes will not be achieved in an atmosphere of conflict and distrust, so it is up to the Government as well as the union leadership to display statesmanship—which includes allowing your opponent a decent line of retreat. This should not, of course, mean giving way on the central issue—the need to replace the old system of comparability with a new formula which recognises the enhanced value of security, the value (now becoming measurable) of special pension rights, and the need to relate pay to efficiency as well as to outside incomes. However, the Government's present stance—that nothing is negotiable this year, but everything is negotiable next year—is not convincing or consistent. If the Government made it clear that this year's offer is not intended to establish a lower basis for all future adjustments, then negotiations on a new basis for pay, which are long overdue, might become possible.

Quebec has it both ways

IF POLITICS is the art of having it both ways, the Quebecois are its pastmasters. Since the beginning of last year they have first overwhelmingly backed the centralist-minded Canadian Prime Minister, Mr. Pierre Trudeau, in a federal election; and then, on Monday, done the same for the independence-minded Premier of their own province, Mr. Rene Levesque, in a provincial election. In between they rejected by two to one Mr. Levesque's request, put to them in a referendum, to be allowed to try to negotiate sovereignty for Quebec in economic association with the rest of Canada.

Steady progress

It all boils down to two quite crisp messages. Quebec does not want to be cut adrift from the rest of Canada; but neither does it want to abandon its age old struggle for special status as the home of North America's only large French-speaking community.

What stands out from Monday's results is the steady progress which Mr. Levesque's Parti quebecois has made since its foundation in the late 1960s. In the election of 1973 it received 30 per cent of the vote, which were rewarded with a paltry six seats; in 1976 it almost swept the board with 41 per cent of the popular vote; this time round, though the vagaries of a British-style electoral system reduced its majority in the National Assembly, it climbed to 49 per cent of the popular vote.

The PQ can now claim to be the mouthpiece of the French-speaking majority in Quebec—about four in five of the population of the province. The price the PQ had to pay was almost to deny its separatist origins; Mr. Levesque promised not to call another referendum during the lifetime of the new National Assembly which can last up to five years.

The acute danger to the unity of Canada which was conjured up by the first PQ victory in 1976 has therefore receded even more than it already has done in the past two or three years. But Mr. Levesque, by his victory, has become a more credible and more redoubtable defender of Quebec's special identity in the Canadian constitutional debate.

He is one of eight provincial Premiers who oppose Mr. Trudeau's plan to give Canada its own constitution, not because they object to the principle, but because they say that he has attached to it provisions which infringe the historic rights of the provinces. Quebec, for instance, feels that the proposed Bill of Rights conflicts with the PQ's most important legislation, guaranteeing primacy in Quebec to the French language.

The constitutional argument is at present before the courts. But whatever comes from the Supreme Court, in the end there will have to be political decisions and compromises. Mr. Levesque's return to power will then strengthen the anti-Trudeau forces—however suspicious some of the other Premiers may be of Mr. Levesque's separatist past.

A parallel battle is going on in the field of energy between Mr. Trudeau and a group of provinces headed in this case by Mr. Peter Longhed of Alberta, home of the Canadian oil industry. Reduced to its bare outline, the energy programme of the Trudeau Government provides for Canadians, assisted by discriminatory fiscal measures, to gain majority control of their oil industry by 1990. Moreover, it would greatly raise the federal take from oil and gas revenues.

The battle has been fought since last spring. Though a meeting on Monday produced the first slim evidence that progress was being made, federal-provincial strains will remain acute in this instance too.

Energy problem

There even have been some separatist noises coming from the West, where most of the oil and gas is. With no language problem to aggravate it, as there is in Quebec, separatism is more of a fringe phenomenon in the West than in the heartland of French Canada.

Mr. Trudeau knows that he has two stiff fights on his hands. Monday's progress with the energy problem and an agreement to meet again in May has brought the possibility of a solution within sight. The fight to keep Quebec a willing partner in confederation is a much longer range affair. By their succession of seemingly contradictory votes, the Quebecois have given notice that they want to remain Canadians—but also that they wish their national aspirations for equality and language rights to be respected.

Bell Labs

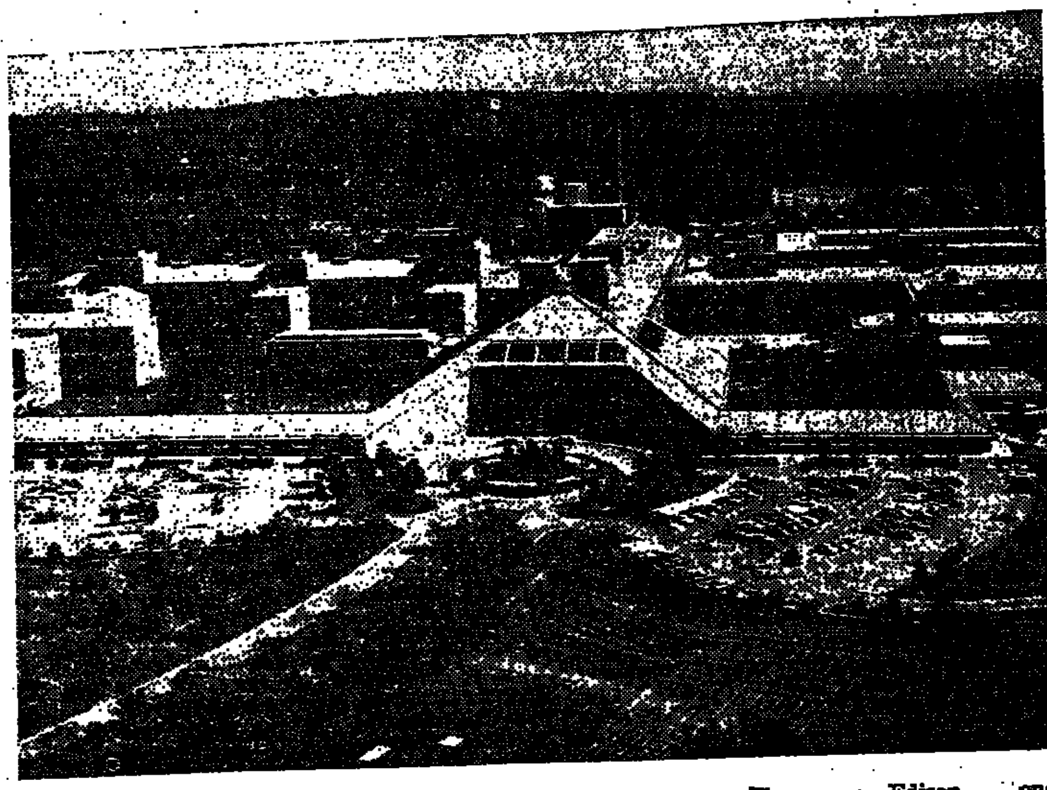
The American dream factory

By Guy de Jonquieres

"At the Lido Diner on Route 22 I stopped in and asked directions to the big building on Mountain Avenue. A blustery man who was hunched over his eggs at the counter gave them to me. I asked him what he knew of the place. 'That?' he said. 'That's where they make dreams come true.'

"Behind the counter a waitress in a powder-blue uniform chimed in 'Yes, sir. That's where they work on dreams.'"

(The Biggest Company on Earth, by Sonny Kleinfield. Published by Holt, Rinehart, Winston, New York.)



Staff at Bell Labs New Jersey headquarters (right) are mildly apologetic about not fathering the silicon chip. "We can't run the whole show," says Bruce Hannay (above), vice-president in charge of research. But the organisation is responsible for $1.6bn worth of research and development this year.

IMPROVING the quality of the telephone service is hardly everyone's idea of the stuff that dreams are made of. But at Bell Laboratories, in New Jersey, the research and development arm of the huge American Telephone and Telegraph Corporation, the world's biggest telecommunications group, the task has been elevated to a level not far short of a religious calling.

It is difficult not to be awed by the scale and breadth of the Labs' activities, many of which have important consequences far beyond the world of telecommunications. At a time when many Americans are worried that their country may be starting to lose its capacity to innovate, Bell Labs stands as a monument to the unremitting pursuit of technological excellence, almost regardless of cost.

This year, the Labs plans to spend about $1.6bn extending the frontiers of human knowledge in fields as diverse as metallurgy, the development of high-speed electronic circuits and teaching computers how to talk. By comparison, the British Government's budget for research and development this year is less than £200m.

Bell Labs' staff of 22,000, half of whom have undergraduate degrees or better, represent a greater concentration of sheer technical brainpower than is to be found in any learned institute or university in the West. Only International Business Machines, the giant of the world computer industry, comes close to matching the Labs' effort and resources.

Since it was founded in 1925, Bell Labs has poured forth a torrent of innovations which has earned present and former employees no fewer than seven Nobel prizes. It has been granted more than 19,000 patents, more than half of which are still pending. Most of its 90-member legal department is kept occupied by the intricacies of patent law.

Some of the Labs' achievements verge on science fiction. Two of its researchers won Nobel prizes for identifying the first scientific evidence confirming that the universe was born out of a "big bang" some 20bn years ago. They made the discovery accidentally while working on ways to reduce background interference on satellite communications.

Other breakthroughs have had more practical applications. They include the invention of the transistor, the laser, the solar battery, high fidelity, sound motion pictures, radio astronomy and an early electronic analogue computer. The latter was used to improve the accuracy of anti-aircraft guns which defended Britain against German flying-bombs in World War II.

One of the few really important technological "firsts" not to have emerged from Bell Labs in recent years is the silicon chip. (The honour of paternity is disputed between Texas Instruments and Fairchild, both American semiconductor companies).

Staff at the Labs' headquarters in Murray Hill, a leafy New Jersey suburb, sound mildly apologetic when taxed with this oversight. "But we can't run the whole show," says Bruce Hannay, vice president in charge of research. Nonetheless, the Labs has lost no time catching up. Its microelectronics design and development facilities are today among the biggest and most modern in the world.

Proud as they are of the kudos earned by their more glamorous successes, Bell Labs' managers insist that they represent only a small part of their principal activity—providing the technical support for the steady modernisation and re-equipment of AT & T's vast telecommunications service, the Bell System.

About three quarters of the Labs' resources is devoted to the development of specific products and systems, embodying proven technology. Its principal clients are Western Electric, AT and T's equipment manufacturing arm, which provides almost half its work, AT and T itself and the 23 Bell System operating companies, which serve more than 80 per cent of U.S. telephone subscribers.

Only a tiny fraction of its work is for customers outside the AT and T empire, chiefly the U.S. Defence Department, which provided business worth about $40m last year.

The balance of the Labs' effort is split between applied research, to determine whether a particular technology can be made to work in a given application, and pure research. Mr. Hannay describes the latter activity, whose results may not be put to practical use for 15 or 20 years, as "protecting our long-term technological future."

"One of the functions of research is to provide options," says Mr. Hannay. "That means that when we come to make final decisions on products, we can be fairly sure that we've chosen the most suitable technology. Doing research can be profitable even if it doesn't show up in solid results."

The Labs development standards are equally rigorous. One employee recalls wandering into a building where a Volkswagen diesel engine was being tested literally to destruction. "Why are you doing that?" he asked. "Volkswagen have a fine reputation for reliability, don't they?" "Yes," replied one of the test-bed engineers, "but we have to be absolutely sure."

The projects which Bell Labs undertakes are decided by an elaborate hierarchy of management committees, which include its own representatives and members drawn from AT and T, Western Electric and the Bell System operating companies.

By all accounts, the Labs is given a fairly free rein in defining its own research objectives. But in the development field, according to Mr. John Mayo, executive vice president for network systems, priorities are being determined increasingly by the Bell System's need to respond to intensifying competition.

Federal deregulation has trimmed parts of AT and T's telephone monopoly, while the versatility and falling cost of new technology have attracted many newcomers to the telecommunications industry. To meet these challenges, the Labs must concentrate more carefully than ever before on the business of tailoring its vast reserves of raw technology to specific commercial applications.

Flashback to 1948 and the first investigations at Bell Labs leading to the discovery of the transistor.

Thomas Edison once remarked that genius was 1 per cent inspiration and 99 per cent perspiration. The formula applies equally well today to the task of translating a bright idea conceived in the laboratory into a marketable process or product.

In the case of Bell Labs, and of the rest of the electronics industry, much of the perspiration is generated in writing software, the detailed instructions needed to make computers and other electronic devices work. Good quality software is also essential for the organisation and control of today's sophisticated communications networks, which rely heavily on computers.

Unlike the manufacture of silicon chips and other electronic components, which is heavily automated, producing software remains obstinately labour-intensive. No substitute has yet been found for the large numbers of highly skilled technicians required to break problems down into logical components and convert them into microcode, the arcane language which computers understand.

In spite of computerised design aids, software productivity has barely improved over the years, a problem which Mr. Mayo bemoans as "the dark side of modern technology." The output of the average programmer is stuck at 3,000-5,000 lines of microcode a year, and current industry estimates suggest that the U.S. will need several million more programmers to meet expected demand over the next few years.

Few, if any, organisations are better-equipped than Bell Labs to survive this squeeze. Almost a third of its technical staff are engaged on software projects. Last year alone it recruited 2,000 more technical specialists, many of them direct from university or graduate school, at starting salaries as high as $35,000 a year.

But some problems continue stoutly to defy even this army of expertise. Among the most intractable is AT and T's planned Advanced Communications Service, which would allow any type of computer to communicate with other machines. The project, in which Bell Labs has been involved for several years, has been compared in complexity to designing a system to automate simultaneous interpretation in the United Nations.

Some computer experts doubt whether the problem can be cracked in its present form simply by committing more people to it. There has been speculation in the industry that the initial conceptual approach was incorrect and may have to be entirely rethought.

It seems unlikely, though, that the solution will take the form of a blinding flash of insight of the kind which caused Archimedes to leap from his bath shouting "Eureka!" Applying technology on the scale which Bell Laboratories is attempting increasingly requires carefully-coordinated team-work, whose results depend heavily on the sound management of patient research.

As Bell Labs wrestles with such technical complexities, it is also being forced to confront the possibility of major upheavals in the AT and T empire which could disrupt the familiar working relationships developed over the past half century.

AT and T is at present fighting in court a massive anti-trust case brought by the U.S. Justice Department, which seeks to split the Bell System into several separate components. While it is considered unlikely that AT and T, if it loses the case, will be forced to hive off Bell Labs, collaboration with some other parts of the Bell System might be affected.

Bell Labs' activities are closely integrated with those of its sister companies and could be unsettled by an abrupt division of the empire. Seven of its 17 facilities are shared with Western Electric, with which it collaborates closely on new product development.

AT and T is also awaiting official clarification from Washington on whether it will be permitted to enter the fast-expanding market for "enhanced" services, combining communications with data-processing. The Federal Communications Commission has given its approval, but there are objections from the Justice Department.

If the project goes ahead, AT and T will probably be required to set up a separate, arm's length subsidiary to handle data communications. Nobody at Bell Labs seems sure how it would fit into such an arrangement, but there is concern that it could create added complications.

"We are considered to be a national resource," says Mr. Hannay. "Nobody in Washington wants to destroy us. But they may do something unwittingly which harms us. I am afraid that lawyers just do not understand research."

MEN AND MATTERS

Nissan hunt

An unfortunate casualty of yesterday's Civil Service walkout was the VIP programme painstakingly arranged by the Welsh Office to press the merits of South Wales as the location for Nissan's proposed £300m UK assembly plant.

As well as visiting sites at Llanwern, Newport, and Wentloog, near Cardiff, the seven man Nissan investigation team led by managing director, Isamu Kawai, was due to meet top officials of the Wales TUC and Manpower Services Commission over a working lunch in the Welsh Office itself—to be told about the perfect state of labour relations.

However, with most of the Welsh Office staff no longer at their desks and pickets posted on all entrances, a different venue for the discussions seemed desirable. It was hastily agreed to switch the meeting to a Newport hotel.

No sooner had this been arranged than it was discovered that the hotel was running a month-long Bavarian festival which, to add to the German flavour, featured a Volkswagen saloon prominently displayed in the hotel foyer. The delicate situation was carefuly explained to the hotel manager. In the cause of winning some 5,000 new jobs for Wales, he agreed to cover the offending object with a green sheet for the duration of the Japanese team's visit.

Les Paul, vice-chairman of the Wales TUC and coordinator of the Civil Service unions' Welsh action admitted it was all rather unfortunate. But he thought there was an important lesson. "If they do set up the plant here, as I hope, I am sure they will treat their employees better than this Government."

"Isn't this the all that we're trying to get away from?"

Directors' forum

"This acquisition will allow us to infill in an area where up to now we have had an element of under-representation."

Ladbroke Racing chairman Peter George explains the acquisition of John Manley (Turf Accountant).

"We are not traditionally a company looking for buyers. But on the other hand, everything is for sale—including my table and chair and my yesterday's copy of the Financial Times"—Lonrho director Paul Spicer sheds light on the putative sale of steel subsidiary Hadfields.

"Remember that the gilt market hates uncertainty and is particularly vulnerable when the future looks confused. . . . "Never count your profit until you have sold your stock."—Farrington Stead director Harry Stead writing in the Investors Chronicle, January 23.

Riding high

Yorkshire emigrant David Payne won a Montreal seat for the largely French-speaking separatist Parti quebecois as it romped to victory in Monday's elections in the Canadian province of Quebec.

Payne, who left his native Middlesbrough for Canada 10 years ago, campaigned in the new working-class constituency of Southern Montreal where the population is 70 per cent Francophone. Though he retains a strong Yorkshire accent, he speaks good French and obviously had no difficulty getting across his views on such bread-and-butter issues as jobs, minimum wages and social conditions.

A former secular priest, Payne studied in Rome and Louvain before going to Montreal to work among Ugandan refugees.

Now 37, he moved into politics in 1977 when he joined the staff of Camille Laurin, the the Cultural Affairs Minister, who was then trying to sell his Official Language Act (Bill 101) to the Anglophone population of Montreal.

Bill 101 caused a crisis in Quebec's Inuit (Eskimo) communities. The Inuit at Fort George 800 miles north-west of Montreal occupied Government building in protest, fearing they would lose the right to go to traditional Anglican English-language schools, and it was to Payne that Premier Rene Levesque delegated the task of pacifying them.

Family cars

Having quietly displaced the Fords as first family of the world motor industry, the Toyodas of Japan continue to bind the group they founded even more tightly in ties of kinship. While individual members of the family are no longer significant shareholders in the group's many branches, the Toyoda name dominates the management roll.

It seems likely now that Shoichiro Toyoda, 56-year-old eldest son of the patriarch who formed the Toyota Motor Company out of the textile parent Toyoda Automatic Loom Works, will move up from his post as vice-president of the car maker to the presidency of Toyota Motor Sales, the group's marketing company.

Shoichiro's move will take him from Toyota City in central Japan to Tokyo to join his younger brother Tatsuro, already a director of Toyota Motor Sales, and to take his place among the cousins who occupy three other presidencies and two chairmanships.

Nick of Thieme

David Thieme, the flamboyant American owner of Essex Overseas Petroleum and principal sponsor of the Lotus formula one racing team, has run into an unexpected pit-stop in Switzerland.

When Thieme's private jet landed at Kloten airport on Friday, he was arrested by Swiss Police. His plane was seized at the request of Credit Suisse bank. The Zurich district attorney's office declined immediate comment on the affair, but official sources later explained that the arrest had been made following an inquiry into "economic offences."

Credit Suisse spokesman Christopher Brassel explained that the seizure was sought because of outstanding claims by the bank against Thieme's Monaco-registered company, though he would not say how much money was involved.

Cash terms

What qualities do we look for among those who work in our financial institutions? A keen eye for profit, certainly; a willingness to take risks; thrift; and, of course, absolute familiarity with the currency in which they deal. Appropriate, then, that among those attending the annual delegates' conference of the Banking Insurance and Finance Union should be Mr. Swindells, Mr. Gamble, Mr. Savings, Mr. Tanner and Mr. Penney. All of whom will, no doubt, rest easy in the knowledge that the man with his hand on the BIFU purse strings is honorary treasurer Mr. Goodrich.

Observer

Today the European Commission begins a fresh search for solutions to Community problems. **John Wyles** reports from Brussels

Finding a way out of the budget maze

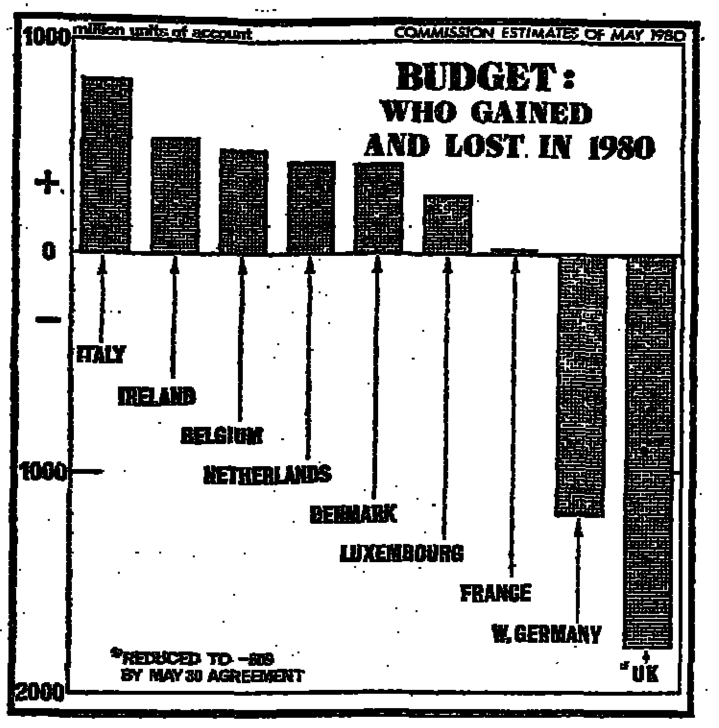
YOU WOULD never guess from the hush which has settled on Brussels that the European Community may be moving towards the most intense period of anguish and introspection *since its creation 25 years ago.*

But beneath this blanket of calm, which owes something to the imminent French elections, nerves are tightening in the European Commission, which today begins its efforts to sketch out options which must be delivered to member governments by mid-June. The aim is to recast the policy and budgetary basis of the Community's operations.

No one can yet forecast what the outcome will be, but the decisions taken over the next few months and years could *determine:*

- Whether EEC membership could become a more obviously better economic bargain for the UK and possibly, therefore, more acceptable to public opinion in the run-up to the next British general election.
- *Whether* the gap in wealth and economic performance between the six "richest" and four "poorest" member states (the UK, Italy, Ireland and Greece) can be narrowed by reforming existing policies and developing new ones. And beyond that lies the impact of possible Spanish and Portuguese membership.
- Whether the Ten will choose instead to adopt only minimal economies in the Common Agricultural Policy and only token improvements to EEC regional and social programmes.
- Whether France and West Germany have any further interest in trying to relaunch the Community with new priorities or whether they will prefer instead to step up bilateral activities *with such* headline catching adventures as last week's $6bn borrowing plan.

These are big questions which are being approached with none of the optimism and *confidence in the future with* which the original six launched the Community. Because the EEC is run more and more by its shareholders, namely the member states, and less and less by its embryo board of directors, the 14-member Commission, *the anxiety here is that* whatever is decided could lead to a further erosion of the Community's cohesion.



Martyn Barnes

Moreover, the path to those solutions is littered with potential conflicts among the Ten *which could leave last year's* British budget row looking like the mildest lovers' tiff. Some countries, notably France, the Benelux and Denmark, have a vested interest in protecting the CAP and the budgetary status *quo. Others, such as Italy,* Ireland and Greece, share that interest, but also want extra policy and financial benefits from the Community. Britain and West Germany are the malcontents, labouring under "unacceptable situations."

These two words will become engraved with tedious familiarity in political speeches, declarations and documents over the next few months. Originally only the UK proclaimed its budget situation unacceptable because from 1980 onwards it would be making much the largest net budget payments to Brussels.

But another "unacceptable situation" was created last May 30 when the deal slashing Britain's budget payments by more than a half added over £550m to the German EEC payment burden for 1980 and 1981.

Bonn, concerned about the softening of the German economy, was not slow to declare its resentment. Ten days after the May 30 agreement the German Cabinet fulminated against the fact that it had become far and away the largest net contributor to Brussels

So, to start with, the Commission has to try to resolve by means of "structural changes" the British payments problem which last May's agreement relieved only up to the end of this year with a possible extension to 1982 if the problem cannot be remedied by structural changes.

In making its recommendations, however, the Commission is under instructions from the Ten to avoid "calling into question the common financial responsibility" for Community policies.

The Commission cannot call into question "the basic principles of the Common Agricultural Policy" which are traditionally understood to provide for a single market for farm *produce. Community preference* to protect the single EEC market from cheap imports, and "financial solidarity" which finances the CAP through the European Agricultural Guidance and Guarantee Fund. And the Commission must keep *within the Community's* revenue ceiling. This is fixed according to a complicated formula which assigns part of each country's VAT revenue to the EEC.

On a literal interpretation, this *mandate* gives the Com*mission about as much room* for manoeuvre as a fly in a jam jar. Officials have already concluded that it is impossible to achieve a structural change in the pattern of policies and spending which would resolve the British problem in 1982 as the mandate requires. The reasons are both political and financial.

The UK's unacceptable situation stems partly from the fact that 70 per cent of the EEC's budget goes on the CAP. Britain pays more than 21 per cent of the total EEC budget. But its share of farm spending is less than 8 per cent because its agricultural sector is smaller than the Community average and it receives far less Community funds for price support and export subsidies than other countries. The UK does get a 24 per cent share of total regional and social spending, but that only pushes up the total British slice of the EEC budget to around 12 per cent. On the Commission's calculations this would still have left the UK paying £981m more than it received from Brussels in 1980 and £1.18bn more in 1981 before the rebates guaranteed by last May 30 agreement.

One obvious way to dispose of this temporary artificial rebate mechanism would be to develop current non-farm policies and add new ones of greater benefit to the UK. Unfortunately, there is little opportunity to do so because in 1982 there may be little more than £600m-£1bn to spare before the EEC hits its income ceiling, fixed at 1 per cent of member states VAT assessment. Therefore, on a loose interpretation of the mandate the options to be considered by the Commission and then by member states could well include the following:

New approaches to financing the EEC budget. The current system, based on the transfer to Brussels *of* all customs duties on goods imported from outside the EEC and agricultural levies on imports from Third countries plus up to 1 per cent the VAT levy, tends to be unfair. In the UK's case this is partly because its intra-Community trade is still below average (40 per cent imports from the Community compared with the average of 50 per cent) and partly because the VAT system is regressive.

This means that in practice some countries, notably Ireland (around 30 per cent) and the UK (around 11 per cent) are handing over more under the VAT heading than would be the case if their contributions were based on relative per capita gross domestic product. The added perversity of the system is that France and the Benelux countries pay a modest amount less than they would under a GDP system, Denmark with the highest per capita GDP pays 7 per cent less. On the oher hand Italy, the third poorest member and therefore a "deserving case" pays 18 per cent less.

There is obviously scope here for a new mechanism which would align the VAT-based formula more closely with GDP than anything tried in the past.

BURDENS AND BENEFITS OF THE EEC BUDGET 1979 (percentages)

	Per capita GDP (EC9=100)	Share of EEC budget revenues	Share of EEC budget payments	Farm price support payments	Share of struct funds
Denmark	138	2.5	5.5	6.1	1.9
W. Germany	134	29.9	21.4	22.3	9.4
Luxemoburg	127	0.1	0.1	1.3	—
Belgium	119	6.2	6.6	7.2	2.1
Netherlands	116	9.0	12.0	13.5	2.6
France	116	19.0	20.6	21.5	18.4
UK	77	21.0	12.0	8.8	24.0
Italy	62	11.5	16.9	15.7	34.4
Ireland	49	0.8	4.9	4.3	7.0
Eur 9		100.0	100.0	72.6	10.5

Compiled from Court of Auditors Report for 1979

But the Commission is also bound to point out the impossibility of keeping the Community going with its present budget income limitations after Spain and Portugal become members in 1984 or beyond. The strong possibility, anyway, is that it will run out of money before then. So at the moment officials are looking for new sources of revenue, such as an oil import tax, which would not require a time consuming change of Treaty rules.

New approaches to the CAP and selective "reforms." If the recent farm price package, based on 9.5 per cent price increases, adopted by EEC agriculture ministers is anything to go by, the prospects for a serious attack on CAP costs are not encouraging. However, the Commission is likely to push ahead with a strategy aiming at ending the Community's open ended guarantee to purchase all surplus produce for storage.

It is also studying ways of incorporating part of existing national expenditure on agriculture

New approaches to the pattern of spending—the Commision is likely to argue that *the budget needs to channel* more resources from the stronger to the weaker economies. Thus it is virtually certain to suggest increasing funds for regional and social spending while acknowledging that this alone would not take care of the UK problem. But

New policy approaches—these will be important in offering some kind of development plan for the future. Renewed emphasis may be put on industrial regeneration policies, co-operation in negotiating external energy prices (natural gas, for example) and the development of the Community's various loan instruments, as well as the European Monetary System.

In presenting its options, the Commission's preference is bound to be in favour of in*creasing the size of the EEC* budget (still only 0.8 per cent of Community GDP) with stricter controls on agriculture and a better policy mix aimed at curbing the widening economic disparities between countries and regions within the EEC.

The response of Germany, France and the UK may be critical. If Germany and France insist that henceforth there should be pre-set limits on budget payments and receipts, then the budget's potential as a vehicle for development will be seriously impaired.

But if a re-elected President Giscard decides to devote his energies to a more thorough relandscaping of the Com*munity, then Mrs. Thatcher and* Chancellor Schmidt might be persuaded to man the bulldozers. If not, the European Commission risks being handed a trowel.

Letters to the Editor

Economic strategy

From the Chairman, Society of Business Economists.

Sir, — The recent statement by 364 university economists *has provoked* much discussion, *not all of it* constructive. The Society of Business Economists, comprising some 700 economists working in business rather than in the academic field, is closely concerned with the practical effects of the Government's economic policies on the industrial and commercial sectors of the economy.

As chairman of the society, I cannot speak for my members on the merits of "*monetarist*" as against "neo-Keynesian" theories, and indeed there are differing views within the society on many aspects of current Government policy. Nevertheless, my council and I believe that the "364" have raised serious issues which should be properly debated, not dismissed through inaccurate references to our past economic history. In particular we believe that the *following propositions would be* supported by the great majority of our members:

While the reduction of manning levels, the removal of outdated practices and the scrapping of obsolete plant that have taken place have strengthened British industry, a continuation for too long of a monetary and exchange rate "squeeze" can do lasting damage.

Given the depth of the recession and the low profitability of industry, we need to consider positive steps to promote investment in new productive capacity, especially in future growth areas. The trends of increasing government current expenditure and falling capital expenditure should be reversed.

The structure of a healthy and expanding manufacturing base is likely to be very different from the structure of our industry prior to the recession. The Government itself can assist by indicating its view of the likely pattern and by helping the restructuring to be achieved.

The current level of unemployment is deplorable, although clearly the result of a long period of low growth in productivity which, when combined with *a high exchange rate,* has made UK industry uncompetitive. Much greater efforts will be needed to solve the problems of mobility and training so as to meet the requirements of a restructured economy and reduce the waste of human re*sources.*

As the economy revives there is a real danger that inflationary pressures will intensify, as a result of any fall in the exchange rate, of attempts by wage earners to recover lost ground, and of the inevitable emergence of supply bottlenecks. Among the policies to meet this situation, monetary disciplines will certainly have a part to play, but will not be sufficient on their own.

R. J. Godson.
11, Bay Tree Walk,
Watford, Herts.

Investment cuts

From Mr. J. Stevenson

Sir,—Samuel Brittan should take a moment to heed the message of humility which Anatoly Kaletsky directs *towards the Prime Minister in* his excellent Lombard piece (April 9).

Of course, public investment is not automatically more virtuous than current expenditure in its own right and on all occasions. Mr. Brittan's example of comparing the science teachers with swimming pools is a hoary old number to demonstrate the obvious point that all generalisations are wide open to exceptions. The promoters of greater capital investment, like the *chairman* and members of the Commons Treasury and Civil Service Committee, are not putting forward the naive "current spending bad, capital spending good" theory which Mr. Brittan likes to set up and then likes *to dismiss as a chant from* Animal Farm. The burden of their argument is surely that single-minded concentration upon a given public sector borrowing requirement target for the coming financial year is self-defeating if in *order* to achieve that target the Government is forced to cut capital spending projects which by any other criteria of future social and/or economic return it would *have* gone ahead and undertaken.

Given the particularly high employment-generating capacity of many such projects, especially construction and maintenance work, throughout the economy then these capital cuts, originally designed solely to meet a PSBR target, simply *drive* up the unemployment expenditure costs and drive down the income tax revenues to the Exchequer and make the PSBR targets unattainable.

Since the Government places the achievement of this medium term financial strategy and its PSBR targets as the highest priority in its policy making (and Mr. Brittan has loudly praised the Government for this policy, whatever reservations elsewhere he may have expressed) *it is surely* incumbent upon it and indeed Mr. Brittan to answer this *serious* charge about the self-defeating nature of capital investment cuts.

Jamie Stevenson.
National Federation of
Building Trades Employers,
82, New Cavendish Street, W1.

Nissan's local needs

From Mr. D. Rhys

Sir—With the Nissan programme of UK visits now under way it is as well to remember the earlier emphasis on a European—meaning local—content. It was a sop to European motor industry *interests in that in the* event of Nissan building a plant in the UK extra competition may well be experienced by their vehicle assemblers but extra business could be won by, say, French component makers, and a clear statement of intent by Nissan that it wished to hedge its bets where component supplies were concerned, so a UK assembly plant did not necessarily mean UK com*ponents in any number.*

The original statement spoke of an immediate local content of 60 per cent, but 80 per cent would only be achieved "as soon as possible after full production is reached" in 1986. So as 80 per cent local content is only a vague long-term objective, both the UK component makers and the European vehicle *makers* are concerned that the Nissan investment will bring little benefit to the local motor industry but could greatly harm existing producers if Datsun cars are made which, in their pricing, fully reflect the low unit costs of Japanese component-making and the low labour costs of an efficient UK-based assembly operation. Hence it is important to deter*mine the basis of the 60 per cent* content—is it based on ex-works value, on the total weight of the car, on the number of components or, on the number of bought-in parts?

As the value of a car is split roughly 50:50 between bought-in costs and internal costs, a Datsun which is 60 per cent by ex works value would give little business to the European component industry. Most of the local content would be labour costs and factory overheads with *only* 20 per cent of the bought-in content being European. Such a percentage would be easily covered by the purchase of steel, glass, wheels and tyres, with little business going to the component sector as such. *On the other* hand, if 60 per cent *of the bought-in* value was European sourced, then a UK-assembled Datsun would have 80 per cent local content. Nissan may judge that an immediate 80 per cent local content target would render the entire project uneconomic, *whereas the Government may* estimate that a 60 per cent ex-works value criteria is not what it had in mind.

In order to retain maximum flexibility in its negotiations at this stage, HMG would be unwise to commit itself to a particular numeraire on which to base the 60 per cent local content criteria. On the other hand Nissan would like HMG to decide upon a 60 per cent ex-works value criterion, which is after all what the EEC requires of EFTA sourced cars. Conse*quently, if Nissan gives* the impression that the quality of UK components is not all it should be, and if it was forced to use such components, the feasibility study would come out against going ahead with the project, there might be a temptation for *HMG to decide upon an ex-works* European content criterion which would avoid the need to use European components in any number. In other words, the issue here is not the quality of UK or European components, but the entire nature and potential efficiency, competitiveness and profitability of a Nissan car-making facility in the UK.

The establishment of Nissan UK would largely free the company from the limitations imposed by the voluntary restraint agreement on Japanese car imports. Under these circumstances the company would find it beneficial to compete more vigorously on price than before. After all, if, as has been the case, demand was greater than supply, why offer *fleet discounts* to increase demand to a level which could not be supplied? In addition, as all the evidence points to the manufacture of *vehicles using 1600* cc engines, then clearly Ford must see the position of its market-leading highly profitable Cortina, under threat. As Ford in the U.S. needs as much financial help as it can obtain from the UK, anything which threatens that cash flow must be countered.

D. G. Rhys
(Senior Lecturer in Economics),
University College,
PO Box 78, Cardiff.

An increasing bureaucracy

From the Director General, Federation of Civil Engineering Contractors

Sir,—I would agree with Samuel Brittan's statement (April 9) that "there can be a rational argument about the composition of (total) spending whether public or private." This is indeed what my federation and an increasing number of people who have lately been supporting us, are trying to do. Namely we are trying to engage in rational argument about the difference between current spending and capital investment within the total public expenditure.

One can agree that not all public investment is virtuous, the reference to man-made waves in swimming pools being a case in point. It is debatable whether *such* facilities would *not, in fact be better* provided by the private sector, while available public funds are used in those fields which we consistently claim to be the Government's (central and local) responsibility and a responsibility which cannot be shirked *indefinitely.*

It was a nice coincidence that the letter from the president of the British Constructional Steelwork Association appeared immediately below Samuel Brittan's article. It supported the views expressed by my president on civil service pay. A simple calculation would reveal that for every 1 per cent increase in civil service pay the country has to go without 250 miles of major roads, or some 1,500 public sector houses. Recent research revealed that between *1961* and *1978 Civil* Service employment rose by 1.5m. The numbers employed in the health service, the education service and social services doubled. At the same time, the number of beds available to the general public fell by 14 per cent, while the number of full-time pupils in schools rose by only 26 per cent. This is a measure of our increasing bureaucracy. It is also a measure of the public sector current spending encroachment *into* the total available funds.

We do not indulge *in* "wishful thinking." What we have consistently said is that maintenance and renewal of the UK's basic infrastructure is a Government responsibility and to shirk that is the equivalent of the individual allowing his house to collapse around his ears.

Derek Gaulter.
Coindray House,
6, Portugal Street, WC2

Today's Events

GENERAL

UK: Statement by Lord Soames, Lord President of the Council, on Civil Service dispute.

Sir Geoffrey Howe, Chancellor of the Exchequer, addresses Royal Society of Health congress dinner, Bloomsbury Centre Hotel, London, 8 pm.

Monthly council meeting of Confederation of British Industry.

Mr. Roy Jenkins, member of the Social Democratic Party leadership, speaks at luncheon of City of London Branch, *European Movement, Mansion* House, London, 1 pm.

Special general meeting of National and Local Government Officers Association to vote on a motion calling on Sandwell Council branch to withdraw from closed shop agreement.

Annual report of British Rail.

Mr. Michael Heseltine, Environment Secretary, speaks at Birmingham Chamber of Commerce lunch, Albany Hotel, Birmingham, 12.45 pm.

Mr. Enoch Powell, MP, lectures on "The Church of England," St. Lawrence Jewry-*next-Guildhall, Gresham Street,* London, EC2, 1.15 pm.

Walls Ice Cream report on children's spending.

Mr. Malcolm Muggeridge is guest at Foyles Literary lunch, Dorchester Hotel, London, 1 pm.

Professor Douglas Lewin, Brunel University, gives paper on "Engineering Philosophy—the Third Culture" to Royal Society of Arts, London, 6 pm.

Overseas: Mrs. Margaret Thatcher on five-day visit to India—to include an address to both Houses of Parliament in New Delhi and series of dis*cussions with Mrs. Indira* Gandhi, Indian Prime Minister.

Sir Ronald Gardner-Thorpe, Lord Mayor of London, leaves for six-day visit to Egypt and Italy.

PARLIAMENTARY BUSINESS

See Page 12.

OFFICIAL STATISTICS

Indices of basic rates of wages (March).

Cyclical indicators for the UK economy (March).

Index of industrial production for Wales (fourth quarter).

COMPANY MEETINGS

British Vita, Mildway Hotel, Castleton, Rochdale, 12. Richard Clay, Waldorf Hotel, WC, 12. *Gillett Brothers Discount,* 65, Cornhill, EC, 12.30. Olives Paper Mill, Charing Cross Hotel, WC, 3.30.

Bank of Scotland ahead by £2.7m

THOUGH THE charge for bad debt provisions were more than doubled to £11m Bank of Scotland raised taxable profit by £2.7m to £43.3m for the year to February 28, 1981.

With tax down from £16m to £2.7m, however, the net balance leapt from £24.6m to £40.6m and the attributable surplus reached £41.4m (£24.9m). The net total dividend is being stepped up to 17.5p (15p) by a 9.5p final.

The sharply lower tax charge reflects a decision by the board not to make further provision for potential tax liability on the leasing business.

No provision has been made for the levy proposed in the Finance Bill 1981, which would, if enacted, take around £8.5m.

Group operating profit was ahead 11.6 per cent at a record £44.4m (£39.8m) but difficult *trading conditions for the group's* associates in the retail motor business, cut the share of these companies' profit from £2.4m to £0.7m.

The pre-tax figure, which was struck after £1.8m (£1.6m) paid to staff under a profit share scheme, was reduced to £26.4m (£22.4m) on a current cost basis.

The merchant bank *subsidiary* British Linen Bank and its associates slightly increased their contribution to the historic group profit to £3.3m (£3.2m) with all areas of its business showing growth. But the finance house offshoot North West Securities and associates contributed £2.6m less at £5.4m.

The parent's results had been 17 per cent better because of higher interest rates and a higher volume of business both in sterling and foreign currency. But a 25 per cent increase in expenses, mainly attributable to staff costs, was, in absolute terms, greater than the growth in service charges and commissions and con*siderable offset of the benefit* from interest earnings.

Overall including associates and a modest increase by the share of International Energy Bank, the parent's operating surplus came out at £36.4m (£31.1m).

By year end total bad debt provisions stood at £41m (£33m) with £22.2m (£18.2m) and £18.8m (£14.8m) general. Again a general provision of around 1 per cent against banking advances, except those without risk, was made. Total advances at February 28 last were £2.45bn.

Shareholders funds increased from £201.8m to £237.9m.

See Lex, Back Page

SPAIN

April 14	Price %	+ or −
Banco Bilbao	299	+2
Banco Central	335	
Banco Exterior	268	
Banco Hispano	291	
Banco Ind. Cat.	125	
Banco Santander	335	+7
Banco Urquijo	181	
Banco Vizcaya	316	
Banco Zaragoza	215	−2
Dragados	138	
Espanola Zinc	75	
Fecsa	58.7	
Gal. Preciados	29	−0.5
Hidrola	65.5	−0.8
Iberduero	65.7	−0.5
Petroleos	94	+0.5
Petroliber	88	
Sogefisa	85	
Telefonica	60.2	−0.3
Union Elect.	64.5	+0.8

TUBES/BANRO

Edward Rose (Birmingham)—a subsidiary of **Banro Consolidated Industries**—and T.I. Metsec—a subsidiary of Tube Investments—have agreed that Banro will acquire with effect from June 30, certain assets and goodwill from T. I. Metsec for £495,000 cash.

The assets comprise T.I.'s interest in the manufacture and sale of motor components.

Laing raising £20m and plans vote for 'A' holders

Laing Properties is to seek shareholders' approval for the enfranchisement of the non-voting ordinary A shares and a £20m rights issue of convertible loan stock. Details will be *posted to shareholders today and* meetings will be held on May 13 to get shareholders approval for the package.

At present about 51 per cent of Laing's issued *capital consists* of voting ordinary shares and the rest non-voting. The directors say that in the light of the rights issue this division is "inappropriate." *The move is also* designed to remove Laing from institutions' black list.

Ordinary shareholders will receive one new ordinary share *for every 15 shares held on* April 24 to compensate for dilution in their voting rights following the enfranchisement.

Laing is also proposing a *rights issue at par of £20,881,530* 8¾ per cent convertible unsecured loan stock with a final redemption date of 2005. The board propose to allot the rights on the basis of £3 nominal of stock for every eight shares held on April 24. The new shares issued to existing ordinary shareholders to compensate for the enfranchisement rank for the rights issue.

The stock will be convertible at the rate of 46 shares per £100 nominal of stock, equivalent to a price of about 217p per share which represents a conversion premium of about 7 per cent over current price after adjustment for newly issued shares.

The trustees of the Laing family trusts, certain Laing charitable settlements and Eskmui who collectively hold 59 per cent of the ordinary shares and 3 per cent of the non-voting shares have agreed, provided the rights issue goes ahead, to sell 918,919 ordinary shares to N. M. Rothschilds.

HIGHLIGHTS

Lex looks at three major company results, a rights issue in the property sector and full-year results from the Savoy. The hotels group has incurred annual losses of £1.8m before tax and, in the background, the court case to decide THF's attempt to win control of the company is going through the early, procedural stages. **Laing Properties** is making a significant cash call for £20m in convertible stock, while profits from **NEI** have expanded strongly to £26m. **RTZ**, too, has made solid progress, thanks to higher rare metal prices and an improved contribution from Rossing Uranium. **The Bank of Scotland**, under the microscope following the bids for Royal Bank of Scotland, pushed up profits by £2.7m to £43.3m. Elsewhere, in a very long company list, the market absorbed a pronounced shortfall from **Associated Biscuits, Croda International**, a slight decline by **RMC, Bambers Stores** and **Martonair** and a slight upturn at **Smiths Industries**—*now far more reliant on aerospace than its traditional UK motor manufacturing base.*

In addition, the trustees have undertaken to support the current proposals and subscribe for £2.5m nominal stock. The trustees will be entitled to take up £6.8m of stock and any discrepancy between this entitlement and their final take will be sold or placed with institutions or investors after dealings in the stock commence.

Stewards Company has also *agreed to sell its share stake*, which consists of 42 per cent of the ordinary shares and 1 per cent of the non-voting shares to Rothschilds. Stewards had undertaken to support Laing's proposals and subscribe for its full rights entitlement to stock of about £4.2m nominal.

Rothschilds will purchase the Laing shares at 135p net cum-rights as at April 13, 1981 but excluding the right to receive the rights issue, capitalisation issue and final dividend in respect to hte year ended on December 31, 1980.

The balance of the issue has been underwritten by Rothschilds. Brokers to the issue are de Zoete and Bevan.

The board and its advisers Rothschilds will recommend shareholders acceptance. Holders of 60 per cent of the ordinary shares and 46 per cent of the non-voting shares have undertaken to accept the proposal.

A separate class meeting of the ordinary and non-voting ordinary shareholders and an EGMof Laing will be held on May 13 after the company's AGM. The two proposals will be forwarded as a single package.

Dealings in the unsecured convertible loan stock are expected to start on May 14 with the final date for acceptance and payment in full being June 3.

Andrew Taylor writes: *One of* the principle aims of Laing's rights issue is to enable the group to fund its sizeable development programme without having to *sell off some of* its existing properties or to resort to expensive borrowing in the UK and in the U.S.

Initially some of the £20m to be raised will be used to reduce short term debts which stood at £30.6m on March 20.

Laing has been rapidly expanding its North American property portfolio which now accounts for almost 26 per cent of the group's property investments valued in the last accounts at £157m. Laing would eventually like to see North America accounting for around a third of its property investments.

It currently has a five-year development *programme* in the U.S. including several major office developments in Atlanta, Georgia and Tampa, Florida which it is undertaking with the *Landmarks the U.S. development* group.

These include several office parks in Atlanta which will provide a total of around 1.25m sq. ft. of net office space and which Laing says will have an investment value of around U.S.$150m.

In Tampa, Laing and Landmark are planning to develop an office park to provide 500,000 sq. ft. of office space with an estimated valueof between U.S.$50m and U.S.$60m. Other developments, including an industrial scheme in Seattle, are also proposed.

See Lex, Back Page

News Intl. surges at halfway

PRE-TAX profits of News International, publisher of the News of the World and The Sun news*papers and* which in February this year acquired Times Newspapers Holdings, surged in the half-year to end-December, 1980, from £14.82m to £20.44m on turnover some £24m higher at £125.78m.

Mr. Rupert Murdoch, the chairman, says the second half will not show the same level of profitability as the first half. A dividend of 2.8365p per share was declared on March 25 on the 25p special dividend shares.

Tax for the six months took £9.24m (£9.04m). The surplus was before a net extraordinary debit of £184,000 (£500,000).

Stated earnings per share rose from 16.825p to 28.123p.

The issued share capital of the company comprises £9.91m in ordinary shares, which are all held by News Corporation, and £9.95m in special dividend shares, of which 50 per cent are held by News Corporation.

Abertbaw expands by £1.6m

FOLLOWING A £1.6m first half turnround to a £1.38m profit, **Aberthaw and Bristol Channel Portland Cement Co.**, cement maker, has finished 1980 with a taxable surplus up by *£1.57m* to £2.57m, on turnover of £31.13m against £26.15m.

The directors state that profits for the first six months of the current year are likely to be considerably lower than the same period last year, because of reduced sales and low production due to heavy repairs. They add that full-year results will probably be lower, also, although they are "exceptionally difficult" to forecast.

Earnings per share are shown as 53.37p (32.12p) at the year end 1980, and the dividend is stepped up to 10p (8.4381p) net with a final of 6.5p.

£0.7m drop at Benford Concrete

PRE-TAX PROFITS of **Benford Concrete Machinery** were down from £3m to £2.31m for 1980 *after a second half fall of £916,000* to £787,000. Turnover was virtually unchanged at £21.52m compared with £21.12m, with exports accounting for £11.34m against £8.36m.

The dividend is maintained at 2.625p net per 10p share with an unchanged final payment of 1.75p.

After a tax charge, lower at £985,000 (£1.57m), and after adding back £318,000 of deferred tax no longer required, the attributable balance emerged ahead from £1.43m to £1.65m.

The tax charge figure is after an adjustment of £359,000 in respect of a prior period and stock relief.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Aberthaw and Bristol	6.5	July 3	5.51	10	8.44
Assoc. Biscuit	2.44	July 1	2.44	4.44	4.44
Bambers Stores	0.9	June 29	0.77*	1.55	1.34*
Bankers' Inv Tst. 3rd int.	0.6	May 29	0.55	—	3.86¶
Bank of Scotland	9.5	June 8	7.75	17.5	15
Benford Concrete	1.75	May 22	1.75	2.63	2.63
C. D. Bramall	3.5	May 29	3.21	5.55	5.26
Cedar Invest. Tst. int.	1.7	June 1	1.5	—	4.15
Horace Cory	0.7	June 3	0.7	1.3	1.3
Croda Intl.	1.6	July 2	1.6	3.1	3.1
Equity Inc. Tst. int.	5	June 5	5	—§	16
Expanded Metal	2.5	—	2.5	4.5	4.5
Hambro Life	6.6	June 11	5.7	9.6	7.2
Helene of London	1.11	—	1.11	1.48	1.48
Home Charm	1.8	May 29	1.6	2.5	2.3
I. and J. Hyman	0.41	June 22	0.84	0.83	1.25
Ingall Inds. int.	0.81	June 29	0.74	—	2.27
Land Investors int.	0.2	May 26	0.2	—	1
Lunuva	15	July 2	12	56‡	17
Martonair int.	1.95	May 13	1.95	—	7.6
NEI	2.5	July 3	2.5	3.75	3.75
Photax (London)	2	May 29	2	3.5	3.5
Provident Life	6.2	June 1	5.6	11.4	10.2
RMC	5.3	—	4.9	9	8.25
RTZ	10.5	July 1	10.5	16	15
Savoy Hotel	1.15	—	1.15	1.15	1.15
Smiths Inds. int.	3.7	June 16	3.7	—	10

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Includes 35p special. § Total of 16.5p forecast. ¶ Including 0.47p non-recurring special.

Strong second half lifts NEI over £26m

A JUMP of more than £7m to £13.52m in the last six months of 1980 has pushed taxable *profits of Northern Engineering* Industries up by 44 per cent for the full year, from £18.13m to £26.06m. Current-cost adjustments reduce the surplus to £11.4m.

The current year started with an order book substantially higher than at the beginning of 1980, says Mr. Duncan McDonald, *the chairman*, and although manpower reductions have been necessary and there is a shortfall in some sectors, most of the group's UK trading activities *should* achieve a reasonably balanced workload.

Sales, which rose by £157m to £610m last year, reflect a growing emphasis on overseas markets, he adds. Direct exports, including sales to subsidiaries, amounted to £127m, and sales by the overseas companies were £145m.

The net total dividend is maintained at 3.75p with a same-again final of 2.5p, and absorbs £6.16m (£5.66m).

Tax takes £7.36m (£7.82m) and after extraordinary debits of £728,000 (£1.31m) the attributable surplus is up from £7.93m to £16.2m. Earnings per 25p share are shown as 10.73p (5.85p) on a net basis and 12.56p *(9.49p)* on a nil basis, adjusted for last year's rights issue.

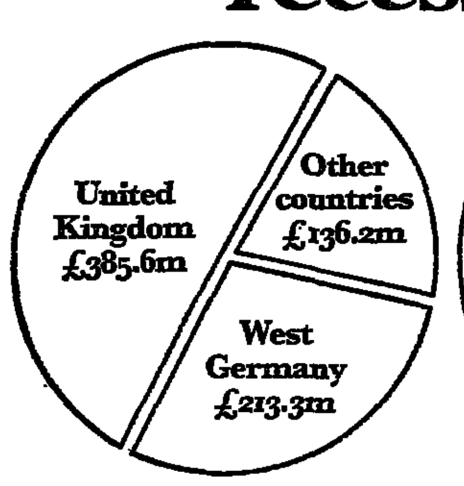
The chairman says capital expenditure in the UK amounted to £21m with a further £15m authorised for continuing product development and improvement of manufacturing facilities. Overseas investment, mainly in the two U.S. electronics companies acquired last year, amounted to a further £25m, of which some £10m was funded through a placing of NEI shares.

Despite this scale of expenditure, he adds, group liquidity remains satisfactory and the balance-sheet strong.

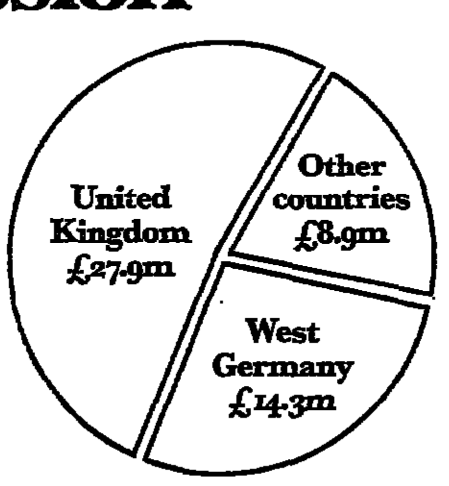
Major highlights of the past year were firm orders for the boilers for both the Heysham and Thorness advanced gas-cooled reactor stations and for the turbine generators for Heysham. The main impact of these orders will be in the power generation plant division, says the chairman, but many other group companies will also participate in the provision of plant and equipment for the two stations.

See Lex, Back Page

1980
A firm stand against recession



Turnover



Operating Profit

Ready Mixed Concrete Limited

Preliminary announcement of results for year ended 31st December, 1980

	1980 £m	1979 £m
Turnover	735.1	749.6
Operating profit:		
United Kingdom	27.9	27.0
West Germany	14.3	14.4
Other countries	8.9	9.4
	51.1	50.8
Associated companies	0.4	0.7
Interest	(4.9)	(4.2)
Profit before taxation	46.6	47.3
Taxation	(17.7)	(15.6)
Outside shareholders' interests	(4.9)	(6.1)
Earnings	24.0	25.6
Earnings per share	29.8p	33.0p

The Directors are to recommend a final dividend of 5.3p per share which together with the interim of 3.7p makes a total of 9.0p per share for the year (1979 8.25p).

The 1980 Report and Accounts will be posted to shareholders on 6th May 1981.

Ready Mixed Concrete Limited, RMC House, High Street, Feltham, Middlesex TW13 4HA.

THE RMC GROUP

Operating internationally in Austria, Belgium, France, Hong Kong, Israel, Republic of Ireland, Spain, Trinidad, United Kingdom, U.S.A. and West Germany.

Smiths Ind. up but gives full year warning

January 31, 1981, **Smiths Industries** turned in sales of £163.55m against £149.6m and pre-tax profits ahead from £9.26m to £9.97m.

Second half profits are not presently expected to match the £16.87m for last year and the surplus for the full year may not reach the £26.13m achieved *in 1979-80, the directors state.*

However, as and when there is a revival in world economies, Smiths will be well poised to participate in the recovery from *a firm base, they add.*

The interim is maintained at 3.7p net per 50p share—last year's total was 10p.

An analysis of turnover and trading profits — £11.99m (£10.98m) — shows: UK-supplied to industries: aerospace £34.65m (£21.9m) and £4.69m (£1.09m); marine £6.85m (£6.3m) and *£302,000 (£194,000 loss); vehicle* manufacture £15.45m (£19.95m) and £1.99m loss (£82,000 profit): other industries £28.6m (£28.45m) and £3.37m (£3.63m). *Supplied through distributive* trades — includes wholesale and retail activities together with home and export business in vehicle spares and service, car radios, clocks and anti-freeze—£35.55m (£40m) and £1.41m (£3.6m). Overseas subsidiaries sales £46.7m (£35.85m) and profit £4.21m (£2.77m). Internal sales amounted to £4.25m (£2.85m).

The directors say that while the aerospace and overseas activities will continue to make good progress, there is as yet no sign of an upturn in the UK economy to assist some of the group's other businesses that are being hard-pressed to maintain their level of activity.

Pre-tax figure for the six months was struck after interest *of £2.01m against £1.72m and* subject to tax of £2.49m (£2.08m). After minorities of £54,000, compared with £38,000, and dividends of £1.9m (£1.81m), the retained balance was £5.52m (£5.34m).

● comment

It would be inaccurate to add back the first quarter effects of the CSEU strike to profits in the corresponding six months and assume that SI is about £2½m down at the halfway stage *this year. The group, in fact,* recovered from that strike quite well in the second quarter of 1979-81 so the strength of the aerospace, "other industries" and *overseas subsidiaries* has probably been almost sufficient to compensate for recent rough conditions in the vehicle equipment division. The rationalisa*tion carried out in the half year* was fully covered in the last balance sheet but more apparently now needs to be done. In this context, it is worth noting that OE sales are less than a tenth of the total and assets employed in this business are probably in about the same proportion. Conservatively, as ever, SI is now saying that it cannot repeat the profits of £16.9m pre-tax of the second half last year but the market is still going for at least £24m in total this time. At a new 1981 peak of 354p, up 5p yesterday, the yield of just over 4 per cent historical and a maximum fully taxed prospective p/e of 15.6 suggest that the growth potential of the now dominant aerospace division has been fully recognised. Still, despite the rise in debt servicing costs, the balance sheet remains healthy and 1982 is expected to see something a good deal better than full recovery.

Boardroom changes at Lesney

Lesney Products, the loss-making *Matchbox toys manufac*turer, has carried out a major management reshuffle.

The original founders of the business, Mr. L. C. Smith and Mr. J. W. Odell, will become vice-chairmen.

Mr. R. E. Martin, who is responsible for international sales and manufacturing, and finance director Mr. M. E. Alberge, who will now also control marketing and the Americas, have been appointed joint managing directors.

Mr. Paul Tapscott has retired from the Board after 21 years, 19 of them as chairman. Mr. J. C. Minall and Professor C. J. Constable have also left the Board to pursue other commitments.

Mr. G. D. J. Hay remains as chairman and Mr. R. S. Evans continues to have prime responsibility for the group's die-*casting interest.*

Further appointments have been made at senior management levels and others are likely.

Hambro Life Assurance lifts payout by 2.4p

Hambro Life Assurance *is* lifting its dividend for 1980 by one-third following another successful year in which the after-tax actuarial surplus *improved* by nearly 30 per cent, from £10.85m to £14.05m.

The final dividend is 6.6p, making a total of 9.6p net, compared with 7.2p.

The company points out that in recent years to mitigate tax charges, it has transferred to profit and loss only the amount necessary to cover the dividend for the year. The proposed new legislation could permit only one transfer after an actuarial valuation. So it is proposed to transfer an amount that will pay the proposed final dividend and cover the interim dividend that might be proposed for 1981. Because of the capital allowances available, this transfer will not have any adverse tax consequences.

Thus an amount of £13.4m is being transferred, of which £9.56m covered the dividends, less waivers, for the year. This leaves £3.84m retained earnings, which together with the carry-forward results in distributable reserves of £6.08m. The share capital and reserves now amount to £11.33m. The retained actuarial surplus amounts to £15.34m.

The company reports new business running substantially ahead of the corresponding period for 1980 and it looks forward to another successful year.

CORAL INDEX
Close 546-551 Unchanged

Hallam Sleigh loss deepens

Pre-tax losses of **Hallam, Sleigh and Cheston** accelerated in the 12 months to end-September, 1980, from £29,141 to £179,359 on turnover higher £6.49m, compared with £5.99m.

There is again no dividend for the year

Tax took £3,007 (£18,470) after which there was a stated loss per 10p share of 5.5p (0.6p).

On a CCA basis the pre-tax deficit is given as £322,000 (£125,000).

The directors say there has been a complete restructuring of the company, a general engineer, at all levels and in all divisions. The number of employees has been reduced from 520 in January last year to 420 at year-end and to 310 at the present time.

For the current year manage*ment accounts for the quarters* to end-December, 1980, and to March 31, 1981, showed sales of £1.24m and £1.4m and losses of £120,000 and £20,000 respectively. *These losses were after* providngg for severance payments of £28,000 and £36,000 in the two quarters. Break-even for the company is £2.5m in the second half of the year.

Savoy plunges to £1.8m loss but holds payout

A SEVERE decline in demand, particularly from overseas visitors, has plunged **Savoy Hotel** into the red—a fall of over £2m *taking the hotels group from a* pre-tax profit of £520,000 to a loss of £1.79m in 1980.

Total receipts rose by £1.06m to £29.71m, but trading profits *showed* a £1.55m reduction to £3.67m before maintenance costs of £3.57m (£3.25m), depreciation of £569,000 (£508,000) and interest charges of £1.2m *(£1.03m)*.

The pre-tax loss was also struck after interest receivable of £47,000 (£79,000), and a provision this time of £175,000 for estimated past years' PAYE and National Insurance liabilities.

There is a tax credit of £138,000 (charge £76,000) and after minorities of £24,000 (£18,000) and extraordinary credits of £2.5m (£33,000), including realisation of a prior year revaluation surplus of £1.9m, the attributable balance emerges at £871,000 against £459,000.

The directors are maintaining the single net dividend of 1.149p in view of the fact that the group's Berkeley, Connaught and Claridge's hotels are all trading profitably.

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

1980-81 High	Low	Company	Price	Change	Gross Div (p)	Yield %	P/E
75	39	Airsprung	72	—	4.7	6.5	11.4
50	21	Armitage and Rhodes	49	—	1.4	2.9	20.2
192	92½	Bardon Hill	191	—	9.7	5.1	7.2
98	88	Deborah Services	88	—	5.5	5.6	4.9
128	88	Frank Horsell	106	—	6.4	6.0	3.3
110	39	Frederick Parker	51	—	1.7	3.3	22.2
110	68	George Blair	68	—	3.1	4.6	—
110	59	Jackson Group	106	—	6.9	6.5	4.0
124	103	James Burrough	117	—	7.9	6.8	9.6
334	244	Robert Jenkins	320	—	31.3	9.8	—
55	50	Scruttons "A"	52	—	5.3	10.2	3.8
224	209	Torday	209	—	15.1	7.2	3.6
23	8	Twinlock Ord.	17¼	—	—	—	—
90	69	Twinlock 15% ULS	72	—	15.0	20.8	—
56	35	Unilock Holdings	45	—	3.0	6.6	6.9
103	81	Walter Alexander	101	—	5.7	5.6	5.6
263	181	W. S. Yeates	255xd	—	13.1	5.1	4.8

PUBLIC NOTICE

TRAVEL

UK COMPANY NEWS

Home Charm falls to £1.6m as costs jump

A NEAR-DOUBLING of depreciation costs combined with interest charges of over £0.5m to push pre-tax profits of **Home Charm** back by more than £1m last year.

At midway the directors of this home decorating materials retailer blamed the coincidence *of a heavy expansion* programme with the economic depression and record interest rates for a decline in profits from £1.16m to £638,000, but said there were signs of a modest improvement in the second half.

The pre-tax surplus for the 53 weeks to January 3, 1981 fell from £2.79m to £1.62m after depreciation of £1.17m (£636,000) and interest charges of £548,000 against interest received of £39,000. Sales rose from £41.15m to £59.86m.

Earnings, after tax of £102,000 (£68,000) are shown as 10.8p (19.4p) per 10p share. The net total dividend is increased from 2.3p to 2.5p with a final of 1.8p.

Extraordinary debits of £68,000 (£210,000) relating to goodwill written off following acquisitions during the year, leave the attributable surplus at £1.45m (£2.51m). Dividends, after waivers, absorb a further £275,000 (£225,000).

The pre-tax surplus, which is also struck after a £33,000 loss on the disposal of fixed assets (£190,000 profit) and the provision this time of £82,000 for a *profit-sharing scheme*, is reduced to £1.36m on a CCA basis.

Shareholders' funds rose from £8.28m to £9.46m during 1980 and retail selling area had increased from 733,000 to 1.01m sq ft during the same period.

● comment

As expected **Home Charm's** profits have been pushed down by a combination of tough trading and the costs of a hefty expansion *programme. But this* year should see the company on its way to a partial recovery. Gross margins have come up a couple of points since the year end and sales are up 20 per cent so far (or 10 per cent on a like *for like* basis). The interest charge should fall considerably. Borrowings were down to £2m at the year end after peaking at over £6m and since December the company has raised £3m of mortgage funds, wiping out its short-term debt. Depreciation on the other hand could rise *£300,000 or so following the 38* per cent increase in selling space during 1980. This year expansion plans are far more *modest—around £2m adding a* tenth to floorspace. However, trading is still fairly cut-throat in the DIY sector and while Home Charm tends to be well thought of a price of 120p, where the historic fully taxed p/e is over 20, looks vulnerable.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: Adwest, Kalamazoo, Linread, Sun Life Assurance, Wade Potteries.

Finals: Anglo American Investment Trust, Astbury and Madeley, Barrow Hepburn, Berwick Timpo, Bristol Stadium, Burmah Oil, Cosalt, J. J. Dewhurst, Walter Duncan and Goodricke, Finlay Packaging, Hawker Siddeley, G. F. Lovell, Albert Martin, Pearl Assurance, Securities Trust of Scotland, United Carriers.

FUTURE DATES

Interim—	
Lyles (S.)	Apr. 27
Finals—	
Allebone	Apr. 27
Ayrshire Metal Products	May 1
Bulgin (A. F.)	Apr. 29
De Vere Hotels & Restaurants	Apr. 23
England (J. E.) (Wellington)	Apr. 16
Fogarty (E.)	Apr. 22
Haden Carrier	Apr. 23
Henriques (Arthur)	Apr. 16
Penrland Industries	Apr. 27
Smith St. Aubyn	May 6
Trust Union	May 14
Wilson (Connolly)	Apr. 22

Hyman runs into second half loss

A LOSS in the second half at **I. and J. Hyman** has left this plastic foam converter and manufacturer, with pre-tax profits well down at £520,691 for 1980, compared with £1.82m. Turnover fell from £22.82m to £19.49m.

And the dividend has been cut to 0.8272p (1.25p) net per 5p share, with a reduced final payment of 0.4136p (0.8364p).

Mr. Peter Buckley, the chairman, says the current year has started quietly, and while there are indications of a modest improvement he feels it would be premature to assume that it will be maintained in the prevailing trading conditions.

At halfway, profits had fallen from £967,667 to £642,434.

The chairman says that the *last few months in the year* normally reflect a high level of activity in many of the group's operations. Last year, however, was not only an exception, he states, but it also resulted in an "unprecedented decrease in profit margins" in order to meet competition and maintain the share of the available market.

The sharp decline in the economy and the uncertainty of customer status is illustrated by an increase in the bad and doubtful debt provision of £427,448, Mr. Buckley says.

Pre-tax balance was struck after interest of £520,034 (£326,552) and subject to tax, much lower at £108,148 against £667,260.

Stated earnings per share were well down at 2.31p (4.87p) at the year end. On a CCA basis profits, before tax, are reduced to £68,597.

Helene London drops to £1m

THE DIRECTORS of **Helene of London** report the company's first decline in profit *since* it was listed in 1961. Pre-tax profit fell from £1.71m to £1.02m in 1980 on sales also reduced from £14.58m to £13.7m.

They say trading conditions for this manufacturer of fashion and leisure wear were very difficult, and remain so in the current year. However they have seen indications that there will be an improvement in the second half of 1981.

The group's financial position remains very liquid and will benefit from any upturn in the economy, they add.

A maintained final dividend of 1.11p per 10p share has been *recommended, making a same* again total of 1.48p.

At the half year stage Helene made a profit before tax of £617,000 (£780,000) and turnover stood at £6.84m (£6.79m).

Tax for the year took £554,032 (£867,225), less a credit of £158,870 (nil) for prior years stock relief. Minority interests came out at £5,262 (£24,626) leaving an attributable amount of £622,995 (£760,781). Last year there was an extraordinary item of £55,062.

Dividends absorbed £326,463 (£331,611) including £26,495 (£63,515) for preference shares. The stated earnings per share emerged at 3.1p (5.5p) and at 2.1p (3.8p) on a current cost basis. CCA pre-tax profit was £826,000 (£1.47m).

● comment

The most optimistic projection **Helene of London** can make about the garment business at present is that it is looking to recover. But there is no sign yet that the cost paring and margin reduction forced on the garment suppliers by the retail chains is about to ease up. Helene reckons that, in money terms, its prices have shrunk by a quarter over the *last year. Subcontracting most* of its designs to a network of manufacturers, the group carries a comparatively low fixed cost structure and this has been a significant ingredient of its continued, relative, prosperity. But merchandisers for the big stores groups are not ordering in anticipation of any upturn before the autumn. The shares moved up yesterday to 24p where the historic yield of 9 per cent and the p/e of 7.4 on stated earnings imply fair enough value before the first tangible signs of rag-trade confidence return.

Ingall shows small drop at halfway

Despite losses incurred by two subsidiaries, pre-tax profits of **Ingall Industries** fell by only £11,000 to £80,000 in the six months to December 30, 1980, on sales of £2.32m against £2.13m.

The interim dividend is being stepped up from 0.74p to 0.81p net and the directors expect to increase the full year's payout by 10 per cent—last year a total of 2.27p was paid from profits of £435,000.

Earnings per 10p share, after tax of £42,000 (£47,000), are shown down from 0.82p to 0.71p.

The directors of the group, a light engineer and *manufacturer* of funeral furnishings, say that Ingall Engineers is still operating at a reduced level and its continuing difficulties are likely to impair the year's results.

But the other engineering subsidiary, Taylor and Osborne, has a substantial order book and is working at near full capacity, and there is a strong earnings flow from companies acquired during 1980. The rest of the funeral division *is operating satisfactorily.*

Bambers moves ahead, pays more

TAXABLE PROFITS of **Bambers** Stores rose in the 12 months to January 31, 1981, from £4.07m to £4.4m—a rise of 8 per cent—on sales £5m higher at £30.21m. At midyear, there was a surplus of £1.12m, compared with £1.06m.

For the current year the directors say turnover to date is well ahead and expansion is continuing. They are raising the dividend for the year from the equivalent of 1.34p to 1.55p net with a final of 0.9p.

Trading profit, which rose from £5.82m to £7.01m, included profit on sale of property of £1.54m (£751,000).

The pre-tax surplus was after bank and interest charges of £1.73m (£947,000) and depreciation of £888,000 (£801,000).

Tax took £239,000 (£770,000) *after which earnings per 10p* share emerged at 11.57p (9.18p).

On a CCA basis the pre-tax profit is reduced to £3.07m.

● comment

From a low-water mark of 1.3p in 1974, **Bambers'** shares enjoyed a consistent, even explosive, rise; yesterday's price was 77p. This has mostly been no more than the booming profits merited —the three years up to 1978 showed annual compound growth of 53 per cent, the three since then at 51 per cent. The difference between these two periods is that in the past three years property sales—taken at the trading level—have provided an increasingly significant fraction of the pre-tax profits. In the preceding three they were negligible. If property surpluses are stripped away, the growth record since 1978 drops to a respectable, but less remarkable, 31 per cent. In the year just finished, almost all of the 20 per cent sales growth was accounted for by new branches; non-property profits fell by 14 per cent. On that basis, the fully-taxed p/e of 20 seems to be discounting either sustained success on the property-dealing front or regained momentum in the stores. The shares yield a none-too generous 2.9 per cent, covered 7.5 times by historic earnings.

Lunuva will make special 35p payment

Including a surplus on the disposal of investments in Harrisons and Crosfield amounting to £476,734 (nil) taxable profits of **Lunuva (Ceylon) Tea and Rubber Estates** for 1980 rose from £222,078 to £762,505.

In the nine months to September 30, pre-tax profits *were £124,268 (£92,500).*

A final dividend of 15p (12p) per £1 share has been recommended, making a total for the year of 21p (17p). A special dividend of 35p (nil) is also proposed

Tax took £248,254 (£75,709) including £128,067.

Law Land forecasts expansion

THE estimate for 1981 by the directors of the **Law Land Company** is for a further rise in profits. This should allow the dividend and distributable reserves to be increased again Sir Henry Warner, chairman, says in his anual statement.

As reported on March 31, profit before tax and extraordinary items of this property investment and development group went ahead from £115,071 to £282,032 in 1980. Net dividend went up from 1.25p per 20p share.

Sir Henry says UK profit reflects the high interest rates during the whole of the year. Profit from trading was shown after providing for the balance of the cost of re-instating structural defects on a housing estate developed some years ago.

Meeting: Howard Hotel, WC2, May 6, 12.30 pm.

JOHN I. JACOBS & COMPANY LIMITED

Strong Financial Position to face Future

The Annual General Meeting of John I. Jacobs & Company Limited will be held on 7th May, 1981 in London. The following is a summary of the circulated statement of the Chairman, Mr. J. H. Jacobs:

Unlike the *previous year the amount* of business and the level of freight rates particularly in the tanker field last year left much to be desired. At the same time all costs continued their relentless upward path and for good measure the pound remained very firm against the dollar, the currency in which most shipping business is nowadays transacted. The result of all this can immediately be seen in our disappointing trading *profits. We are in no way* satisfied with this situation and although these adverse factors are still with us, the tanker freight market in particular still being very poor, we are doing everything we can to improve matters. Meantime, many of our staff work long hours and all of them very diligently which leads me, here and now, on behalf of all stockholders, to pass my thanks to them for their consistent *efforts in the most difficult* and *competitive* markets. I should also like to record a word of welcome to the board of directors to our chief accountant, Richard Pottruff. His meticulous work and sound views will surely be of great value in the years to come.

Addition to Successful River Craft

As mentioned *in our interim report, our first river* launch the "Rosewood" went into service for her charterers on the Thames, George Wheeler Launches Limited, early in the year and she is proving extremely successful. So much so in fact that we have now built a second craft at the Yorkshire Dry Dock Company on the River Hull, for service over a similarly long period with the same operators. This vessel named *"Hollywood" is expected* to be delivered from the builders and to commence her employment very soon now and there is no reason why she shouldn't prove every bit as satisfactory to all concerned as has the "Rosewood."

Last year I suggested that the end-December 1980 valuation of our investments would be very considerably better than that for December 1979 *and it pleases me to say* that this is in fact how things turned out. Our liquid assets are still mainly short-term government stocks and as most of these were purchased at advantageous prices the steady appreciation of these holdings is almost certain to continue. This strong financial position is shown in the balance sheet and it should be noted in conjunction with the increase in value of our property of some two million *pounds following a year-end* professional valuation.

Unfortunately, as mentioned earlier, 1980 was a poor year from a trading point of view and it is no consolation that we were not the only ones to find it so. We must earnestly hope that those in charge of affairs around the world may be able to produce solutions to some of the many problems which have caused such serious setbacks to global trade thus enabling freight markets, the bread and butter of our business, to be both more active and at better rate levels.

Change in Capital Structure Envisaged

I should now like to refer to those words in my statements with both the 1976 and 1977 results of our company which concerned a possible reduction of capital. Subject only to unforeseen eventualities, this idea is still much in mind for action in 1983. As previously explained, for taxation reasons it remains necessary for us to wait until after May 1983 to make application to the Court for a return of capital to be of most value to stockholders; this date being ten years since we made a one-for-one scrip issue from our revenue reserves. Then times were vastly different both for the world and for us. Now we no longer have a requirement for a sizeable capital, indeed it has become something of an embarrassment to service. I therefore suggest that for those of you who can stay with us for about two more years it is quite possible that a most worthwhile change in *the form of our capital structure will take place to the advantage of all* our then stockholders. Apart from normal commercial flexibility, these remarks must also be subject to any legislation existing at the time. Meanwhile we shall continue to distribute our customary fair dividends which, to some extent, should mitigate the irritation of having to wait a little longer. As governments, with all the information and *statistics at their disposal, cannot seem to predict the course of* events with any accuracy it would be somewhat absurd for me to try. Suffice it to say that excluding the special centenary distribution, our rate of dividend for 1981 will at least be maintained and as I have just said, there is the possibility of better to come in the summer of 1983.

Centenary Celebration

As some of you will remember from my remarks last year, and as can be seen from the accounts, we commence the 80's with the completion of 100 years in the City of London. Last autumn we marked this with a special party at the London Hilton for a large gathering of people many of whom were business friends from all *parts of the world.* The occasion was *pronounced a great success* and it was certainly an evening that I shall remember for the rest of my days. We must hope that the second century will in every way live up to the standards set during the first. My present colleagues and staff give me every confidence that this will be so.

Refuge assurance

STATEMENT BY THE CHAIRMAN, MR. P.W.D. SMITH.

To be presented at the Annual General Meeting to be held on 7th May 1981.

As can be seen from the accompanying accounts, and the detailed comments later in this Statement, premium income showed an increase over 1979 in each of the three Branches. Regrettably, the overall increase for the business as a whole was not sufficient to keep pace with inflation as measured by the Retail Price Index. The year-on-year increase in the Index averaged 18.0% *in 1980, rising steadily during the early* months to reach a peak of 21.9% in May. It is encouraging to note that by December the inflation rate had fallen to 15.1% and most forecasters expect that it will continue to fall during 1981.

At last year's Annual General Meeting, Mr. R. J. Proctor-Pearson was appointed as a non-Executive Director. There are no other changes to report in the membership of the Board but I know you will share my regret on hearing of the death, last November, of Mr. J. A. Booth, a former Director and Secretary of the Company.

Management changes

On 31st January 1981, Mr. P. H. Pimblett, who had been the Company's Solicitor since 1969, relinquished the position at his own request. Mr. J. H. Sutcliffe, F.C.I.S., retires as Company Secretary on reaching retirement age in March 1981. Each of them has completed over 40 years' service with the Company and I thank them for the valuable contributions they have made to the conduct of our business during that long period. To succeed them, the *Directors have appointed Mr. J. M.* Walker, M.A., as Solicitor, and Mr. I. M. Colgan, F.C.A., as Secretary.

Unit-Linked Life Assurance

During 1980 a great deal of time and effort was expended in preparing for the launch of the Company's first unit-linked contract in 1981. Policies will be sold by the Company's full-time staff, who will be able to offer prospective policyholders a choice between unit-linked and conventional life assurance. The business is being written through a subsidiary company, Refuge Investments Limited, whose initial capital of £800,000 was provided on 2nd January 1981 out of funds held on behalf of Refuge shareholders. The immediate objective is to achieve a rapid growth in the insurance funds of R.I.L. and the *initial launch is based on a* single premium bond linked to internal managed funds. A contract for regular investment is being prepared for introduction when sufficient initial funds have been generated by the sale of single premium bonds. Both types of contract should prove attractive to individuals who already hold substantial amounts of conventional life assurance.

In its early stages the new company is not expected to produce any profit for distribution to shareholders. In the longer term, and looking at Refuge as a whole, the extension of the product range should improve the prospects for overall growth of both premium income and profitability.

Life Assurance Premium Relief

The system of allowing tax relief by deduction from the premium at the time of payment came into operation on 6th April 1979 and for the ensuing two years relief was allowed at the rate of 17½% of the premium. From 6th April 1981 relief is at 15% restoring the relationship between L.A.P.R. and income tax which existed prior to 6th April 1979, when relief was allowed (through P.A.Y.E.) at half the basic rate of income tax. Under the present system, a change in the rate of relief imposes a heavy burden of administration on the life offices — particularly in the Industrial Branch — and the Government's decision to change the rate was announced a year in advance in order to allow time for the life offices to make the necessary changes in procedure and methods. In order to minimise the difficulties inherent in the present system of allowing relief, it is important for several *years to elapse between successive changes in* the rate of relief, even if the basic rate of income tax changes more frequently.

Tax relief on life assurance premiums was introduced in 1799 but lapsed when income tax was abolished at the end of the Napoleonic wars. The relief was re-introduced in 1853 following the earlier reimposition of income tax in 1842, and has been allowed continuously since then. Its value as a means of encouraging regular long-term saving has been recognised by successive Governments, and it is regrettable that the conditions under which relief is obtainable have, from time to time, had to be made more stringent in order to prevent the relief from benefitting contracts which were designed and advertised as a channel for short-term saving. A recent example of this was the *rash of short term bonds whose appearance* on the market led to the introduction of further restrictive legislation in the Finance Act 1980. For the majority of life offices this legislation is in the nature of a minor irritant, since it merely outlaws a type of contract which they would not wish to introduce. Unfortunately, a few operators in the field of life assurance seem determined to seek for ways in which the relief can be secured for the benefit of short-term contracts. Such contracts are not illegal but they are altogether at variance with the philosophy of allowing relief to encourage regular long-term saving. At the best, the introduction of such contracts could be expected to be countered by yet more legislation; at the worst, it might lead the Government to contemplate the total abolition of relief.

Investments

1980 was a satisfactory year for our investments. On the Stock Exchange, ordinary share prices, as measured by the FT-Actuaries All-Share Index, ended the year over one quarter higher than they started, in spite of a handful of industrial sectors actually losing ground. Gilt edged and other fixed interest indices, although finishing the year below their July peak, also showed a worthwhile advance. Elsewhere, property valuations were well ahead, mainly as a result of higher rents but also reflecting a slightly lower yield basis. The total invested funds of the Life Branches, as shown in the Balance Sheets, rose by £42 millions during the year, and the market value of all assets at the end of the year was £652 millions.

Investment income was buoyant, the increase in the combined Life Branches being nearly 20% when compared with the previous year. Gross yields on book values rose yet again to record levels of £13.52% in the Industrial Branch and £14.24% in the Ordinary Branch. It may be difficult to repeat such a performance during 1981, for there is a possibility that interest rates could, on average, be somewhat lower, and the prospects for ordinary dividends — where some have recently been cut or even passed altogether — are clouded. We have also, in pursuance of the policy I outlined last year, been increasing our *equity exposure overseas, and this generally* means the acceptance of a lower immediate income — especially from Japanese companies — in anticipation of faster capital growth in the future.

Ordinary Branch

The level of new business was disappointing after the good results obtained in the previous year. The number of new policies was 1% less than in 1979, but new annual premiums and new sums assured showed increases of 7% and 9% respectively; total premium income increased by 11.5%. Expenses at £6,458,000 amounted to 29.3% of the premium income compared with 28.0% in 1979.

The rates of reversionary bonus declared following the annual valuation of the Life Fund are unchanged from the previous year. Terminal bonuses for both assurances and annuities have been substantially improved for policies becoming claims during the next 12 months.

Industrial Branch

Compared with the previous year, new business written during 1980 showed an increase of 1.5% in the number of policies, 16% in annual premiums and 11% in sums assured. The total premium income increased from £41,355,000 to £48,752,000; the corresponding figures excluding life assurance premium relief recovered under the special arrangement applicable to policies issued before 6th April 1979 were £36,260,000 and £42,289,000 respectively, showing an increase of 16.6%. The total expenses were £19,855,000 *and amounted to 47.0% of the premium in*come of £42,289,000; the corresponding ratio for 1979 was 48.4%.

An increased rate of reversionary bonus has been declared, based on sums assured including increases under the special arrangements applicable to policies issued before 6th April 1979. Terminal bonuses have been substantially increased for policies becoming claims during the next 12 months.

Almost all policies in this Branch now provide for the policyholder to pay a fixed net amount of premium; the Company then claims the appropriate amount of life assurance premium relief from the Inland Revenue. Thus, the reduction in the rate of relief from 17½% to 15%, to which I referred earlier in this statement, has the effect of reducing the Company's gross premium income in this Branch by approximately 3% as from 6th April 1981. There is a corresponding reduction in sums assured, calculated on the basis that the 15% rate of relief will continue unchanged in future.

Fire and Accident Branch

Premium income increased by just over 13% above the record figure for 1979. Motor premiums fell by almost 3% but Property premiums increased by more than 36%.

The Motor Account produced an underwriting loss of £284,000 following a loss of £313,000 in 1979. The premiums were increased in June and action was taken to remedy adverse results from certain types of *business. A further increase in premiums* is effective from the 1st April 1981.

Some growth in the Property Account came from an increase in rates, the rest was from increased sums insured. The underwriting loss of £294,000 is an improvement on the 1979 loss of £532,000, and reflects the absence in 1980 of the harsh weather conditions of the year before. But claims from other causes — particularly from theft — have continued to increase in frequency and severity. We are maintaining our efforts to keep sums insured in line with current values.

The new Home Policies which we introduced on the 1st January 1980 have been very favourably received as they are seen to remove many of the problems associated with the traditional approach to household insurances.

The total underwriting loss of £618,000 compares with that of £817,000 for 1979. After bringing in investment income, which shows a substantial increase over the previous year, and taxation, the net surplus for the year from Fire and Accident business is £267,000. The amount transferred to Profit and Loss Account is £50,000, leaving £217,000 to be carried forward in the Branch revenue account.

Profit and Loss Account

The total profits for the year, including investment income, amount to £3,075,000 an increase of £599,000 over the previous year. The final net dividend of 8.4p per share makes a total for the year of 12.3p per share, an increase of 16.0%. The balance of profit carried forward has been increased by £507,000 to £904,000.

Share Option Scheme

Enclosed with the Report and Accounts are proposals for the introduction of a Save as you Earn share option scheme. The aim of this scheme is to encourage employees with not less than 5 years' service to take a stake in the Company as shareholders, and the provisions of the Finance Act 1980 provide a most attractive means of achieving this. The total number of shares on which options may be granted cannot exceed 10% of the issued share capital, and we are sure that this scheme *can only be beneficial to the Company in the* long term.

Conclusion

In the opening part of this Statement, I drew attention to the fact that growth in our premium income had failed to keep pace with the high level of inflation experienced in this country during 1980. The problems caused by high inflation are not peculiar to Refuge; they affect industries and individuals in all walks of life. Their particular relevance in relation to *life assurance was stressed in the review of* 1980 published by the Life Offices Association which stated: "Above everything else inflation remains our greatest single cause for concern and the industry will continue to support the Government's stated aim to reduce the high rates which existed during much of 1980; it can never be repeated too often that there can be no reason for complacency until the rate of inflation is reduced well into single figures."

The report of the Committee to Review the Functioning of Financial Institutions (the *Wilson Committee*) was published in June 1980, and we were pleased to note the findings in relation to two matters of particular interest to Refuge. The Committee was unanimous in its rejection of nationalisation of banks and insurance companies; it also rejected, by a substantial majority, proposals which would in effect have led to the direction of a significant proportion of the investments of life offices and pension funds. It is refreshing to find this measure of opposition to proposals which would extend Government intervention in and control of our industry.

Looking to the Company's future, one of the most important matters for discussion during 1981 is the question of manning levels and associated problems. A great deal of preliminary exploratory work was done during 1980, following agreement between the Company and A.S.T.M.S. to set up a joint sub-committee drawn from various sections of Management and Field Staff. The task now is to develop an organisational structure for the Field which will facilitate the growth and prosperity of Refuge in all its Branches and provide satisfying career opportunities for the Staff. To those who have been and are closely involved in these discussions, and to that much larger number who also continue to serve the Company faithfully and well without attracting the limelight, we extend our thanks for their efforts during 1980 and our hopes and best wishes for a successful and prosperous 1981.

REFUGE ASSURANCE COMPANY LIMITED

Chief Office (and Registered Office) Oxford Street, Manchester M60 7HA

Registered Number 1364C-England.

The National Bank of Kuwait S.A.K.
Representative Office

CHANGE OF ADDRESS

With effect from Wednesday, 15th April, 1981, the Bank's Representative Office for the United Kingdom and Europe will be located at:

39 Cornhill & 1 St. Michael's Alley,
London EC3V 3NU.
Telephones: 01-626 1497/1498, 01-623 5679

C. D. Bramall

Ford Main Dealers Ford

★ **Turnover up 9.2% to £30.8 million**

★ ***Final dividend increased by 9.1%***

"We are actively seeking further businesses to endow Group with further growth and satisfactory return on capital employed.

"Results for first three months give every encouragement that Group's performance during current year will be satisfactory."

Tony Bramall, *Chairman*

Results at a glance	1980 £000's	1979 £000's
Turnover	30,215	28,225
Profit before tax	1,673	1,779
Earnings per share	24.9p	33.5p
Dividend per share, net	5.55p	5.2578p

Copies of the preliminary results, and the full Report and Accounts which will include Current Cost Results, can be obtained from:

The Secretary, C. D. Bramall Ltd.
146/148 Tong Street, Bradford BD4 9PR

Midway drop at Martonair

TWICKENHAM-BASED manufacturer of pneumatic control equipment, Martonair International, reports lower pre-tax profits for the half year to January 31, 1981 at £2.02m compared with £2.66m. Turnover for the period was also down at £17.89m, against £18.03m.

In the last full year Martonair made a pre-tax profit of £6.1m (£5.72m) on turnover of £39.12m (£35.89m).

Mr. Ronald Cartwright, chairman, says the lower turnover was in line with that predicted in the last annual report, and margins have continued to be restricted both by the relative strength of sterling and the general reduction in demand, resulting in lower profits.

He estimates that the trading profit before tax would have been approximately £500,000 higher if exchange rates had remained at the same level as for the comparable period last year.

As yet there has been no significant improvement in overall demand, he says, and the directors expect a reduction in profits for the year as a whole.

A maintained net interim dividend of 1.95p per 20p share is to be paid—last year's total was 7.6p.

Tax for the period takes £928,000 (£1.32m) and with no minority profits (£19,000) leaves an attributable balance of £1.09m (£1.34m).

After dividends absorbing £258,000 (same) including £4,000 (same) for preference shares, the retained profit emerged at £836,000 (£1.06m).

● comment

Martonair is weathering the recession relatively well with most of the 23 per cent decline in pre-tax profits accounted for by currency losses. But the group is experiencing mixed fortunes, home volume is down and margins are under continuing pressure, whereas overseas turnover is higher as are profits before conversion into sterling. The main dampener on overseas earnings has been the strengthening of sterling against the Deutsche Mark as about 25 per cent of turnover is earmarked for the German market. In addition, the company moved into cash deficit in the second half of last year so the interim figures bear £80,000 interest charges as opposed to a small interest receivable last time. No immediate recovery is in sight, UK staff are on a four-day week, stocks remain at a relatively high level and the order book is down from its traditional six-week span to a month. Currency losses for the year of £1m are on the cards and pre-tax profits of £4.5m. The shares shed 12p to close at 263p, yielding a scant 4 per cent and a relatively high earnings multiple of nearly 16.

Croda profits slump to £7.44m by year end

STRUCK AFTER higher interest of £5.76m against £3.48m, taxable profits of Croda International, chemical processing group, were £7.44m for 1980, less than half the previous year's £15.18m. External sales moved ahead slightly from £270.12m to £275.8m.

When reporting mid-term profits down from £7.63m to £3.78m, the directors warned that prospects for the second half of the year were not encouraging.

The dividend is maintained at 3.1p net per share, however, with a same-again final of 1.6p. This gesture of faith in the future, says Sir Frederick Wood, chairman, is "supported by the knowledge that our cash position did not deteriorate in 1980."

But, the directors emphasise that the dividend payment for the current year must depend on trading results, and that the maintenance of the 1980 distribution "does not automatically imply the same level for 1981."

Sir Frederick explains that a number of the group's UK divisions produced excellent results and most of the overseas operations did well. Conversely, some of the UK sectors fared more badly than they should have done, "and determined steps to correct errors and redeem failures of the recent past have been put in hand and are starting to yield results," he states.

Pre-tax figure for 1980—on a CCA basis it was £3.64m (£7.68m)—included a £939,000 surplus on the disposal of investments, and was subject to a tax charge of £247,000 (£1.22m). This was split as to a UK credit of £1.01m (£170,000) and an overseas charge of £1.26m (£1.39m).

After minority interests and preference dividends, £72,000 (£64,000) and an extraordinary debit of £1.75m (£1.25m)—cost of plant closures—the available balance came out at £5.37m against £12.65m. Dividends will absorb £3.27m (same).

Earnings per share are shown as 6.74p (13.22p) basic, 6.11p (11.91p) fully diluted, 3.14p (6.09p) basic CCA, and 2.86p (5.49p) fully diluted CCA.

● comment

Croda's figures are no worse than the market feared (some £½m of slimming costs have been taken above the line), and the dividend has been held. But the chairman gives a fair warning that this level of payout is not sacrosanct, and unless Croda is seeing better conditions by the time it fixes the interim in the late summer there must be some danger of a cut. First quarter trading has been poor, with no general upturn in sight (although some individual subsidiaries seems to be past the worst). Croda has held its gearing in 1980 after £2½m of asset sales and a £7m fall in net working capital: it might not be possible to prevent borrowings rising again this year. Current cost earnings almost cover the dividend, thanks in part to a low tax charge—Croda has released enough deferred tax to allow it to write off two years' ACT and still have a tax credit in the UK. At 45p, up 4p yesterday, the yield is 10.2 per cent.

Second half downturn for Photax

TAXABLE PROFITS of Photax (London), manufacturer and importer of photographic equipment, slipped in the second half of 1980 from £217,561 to £136,273 leaving the outturn for the year as a whole lower at £384,273, compared with £462,561. Sales were £0.76m higher at £6.12m.

The dividend is being maintained at 3.5p net with a same-again final of 2p. A scrip issue of one preference share for every four ordinary is proposed.

There was a tax credit of £402,866 (£30,992 charge) after which stated earnings per 25p share emerged at 13.8p (10.9p) before an exceptional release of £511,306 (£213,072).

The attributable profit was ahead at £787,139 (£431,569).

Bramall profit decline considered acceptable

PROFITS OF motor vehicle dealer C. D. Bramall for 1980 slipped for the first time in nine years, declining at the pre-tax level from last time's record £1.78m to £1.67m. At the interim stage they were lower at £918,000, compared with £1.01m.

However, the directors consider the results acceptable in view of the adverse conditions the group had to contend with during the year and they are raising the dividend from 5.2587p to 5.55p net with an increased final of 3.5p (3.2078p).

For the current year they say it is difficult to forecast the likely outcome of trading. All areas of the business are still working in the most competitive conditions yet experienced, particularly in the commercial vehicle market.

Results for the first three months, however, give them every encouragement that the group's performance will be considered satisfactory.

The directors point out that despite one of the most difficult years experienced in the motor industry (the total UK car market fell from 1.7m units to 1.5m with the heavy commercial vehicle market down 22 per cent), the group increased its sales by some 9 per cent to a record £30.82m (£28.23m).

They explain, however, that the oversupply position of new vehicles and reduced used car values until the end of the year took their toll on vehicle margins. Although new car sales helped offset lower heavy commercial vehicle sales, high interest rates had a depressing effect on profits.

Tax took £387,000 (£72,000), leaving earnings per 25p share of 24.9p (33.5p) before an extraordinary debit of £4,000 (£20,000). The net balance came through at £1.28m (£1.69m).

The retained profit emerged at £1.05m (£1.49m) after dividend payments which absorb £230,000 (£201,000).

The directors say they are planning further expansion of the group's recently-acquired Clanford Motors dealership in Paisley. This company has proved "a most profitable acquisition and continues to make good progress and profits."

The reduction in interest rates since the end of the year is being reflected in improving figures from the contract hire and leasing division and the group plans to increase the size of its fleet during the current year. Similar benefits will accrue to its hire purchase activities.

The group is seeking further acquisitions in the motor trade and allied areas.

Provident Life lower

SUBSTANTIALLY higher underwriting losses on its motor account in 1980 caused after-tax profits of Provident Life Association of London to slump by nearly one-fifth, from £866,000 to £708,000.

However, the company is lifting its net dividend from 10.2p to 11.4p with the payment of a final of 6.2p.

Long-term funds rose during the year from £95.5m to £103.7m, with the gross interest earned on the fund improving from £8.59 to £9.21 per cent. The shareholders' portion of the divisible profits rose by 16 per cent from £291,000 to £339,000, while non-divisible profits rose slightly from £210,000 to £220,000.

On general insurance business, premium income rose from £4m to £4.4m. Underwriting losses on the motor account jumped from £95,000 to £418,000, arising from the need to increase reserves on older claims because of the rising level of claims settlements and from expense pressure caused by a falling number of vehicles insured in the portfolio. The company has reversed this falling trend and with a new rating structure looks forward to better support on the account.

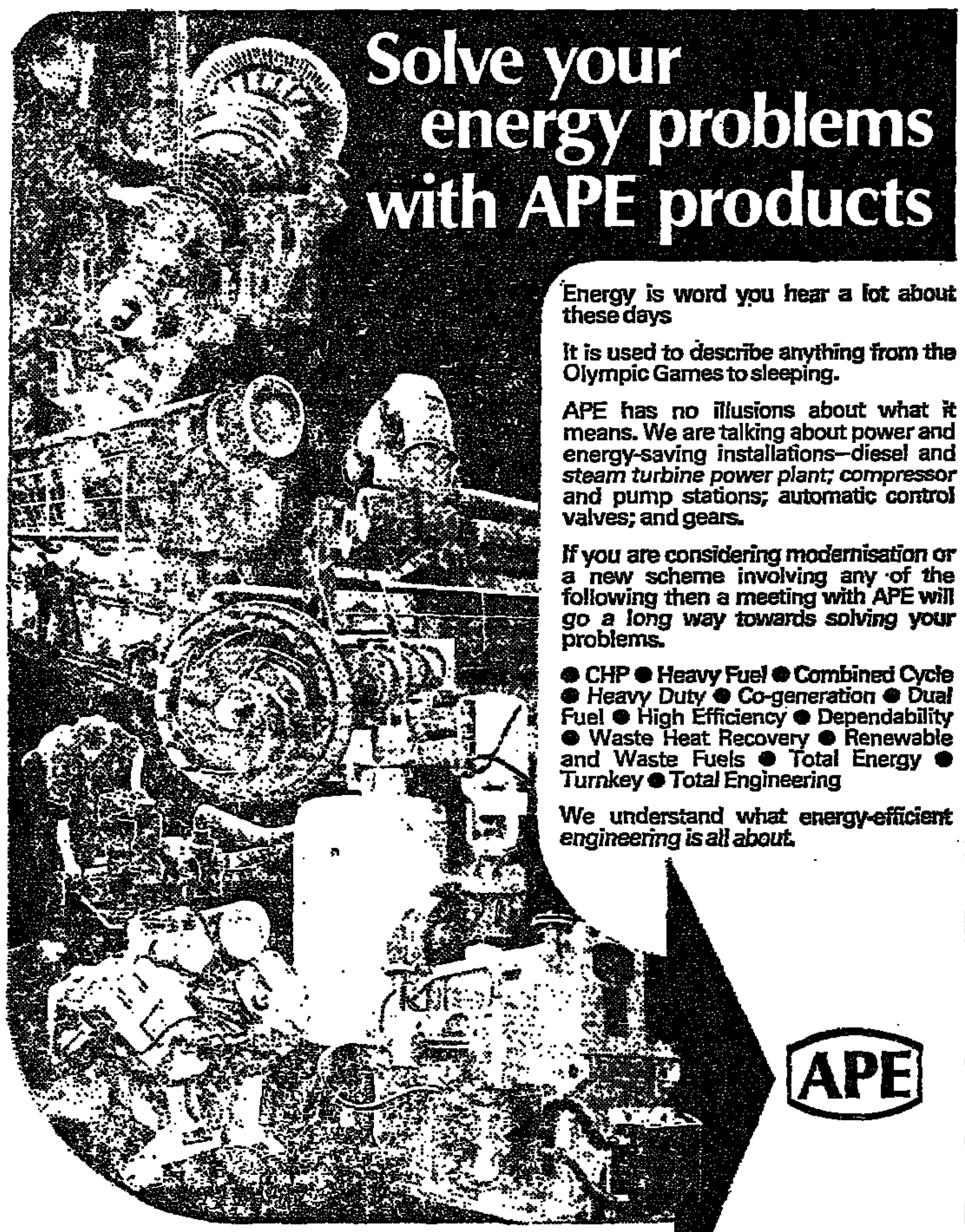
The property and accident account also recorded a heavy loss of £93,000 last year against a small profit of £5,000 in 1979. The account is satisfactory on current business, but risks written outside the UK in earlier years resulted in further claims and additional reserving requirements. The marine account showed an unchanged profit of £5,000.

EUROPEAN OPTIONS EXCHANGE

Series		April Vol.	April Last	July Vol.	July Last	Oct. Vol.	Oct. Last	Stock
ABN C	F.280	—	—	3	9	—	—	F.281
ABN C	F.300	—	—	21	5.50	—	—	"
AKZO C	F.17.50	—	—	31	6.50	—	—	F.22.70
AKZO C	F.20	39	2.50	2	3.30	—	—	"
AKZO C	F.22.50	133	0.40	34	1.60	3	2	"
AKZO C	F.25	—	—	—	—	6	1.20	"
AKZO P	F.25	10	2.50 A	—	—	10	2.80	"
AMRO C	F.60	1	0.10	—	—	—	—	F.56.10
KODA C	$90	—	—	—	—	1	5	$84⅞
HEIN C	F.50	3	6.70	—	—	—	—	F.56.50
HEIN C	F.55	8	1.60	—	—	—	—	"
HEIN C	F.60	—	—	—	—	7	3	"
HEIN P	F.60	1	3.20	—	—	—	—	"
HOOG C	F.12.50	5	7.80	—	—	—	—	F.19.90
HOOG C	F.15	10	4.90	—	—	—	—	"
HOOG C	F.17.50	25	2.70	55	3.10	—	—	"
HOOG C	F.20	10	0.50	—	—	26	2.50	"
IBM C	$60	—	—	—	—	12	5	$60½
IBM C	$65	—	—	17	2⅛	—	—	"
IBM P	$60	—	—	16	2	—	—	"
IBM P	$65	20	4⅞	—	—	—	—	"
KLM C	F.80	3	23 B	5	23.50	—	—	F.102.70
KLM C	F.90	30	13 B	3	15.50 B	—	—	"
KLM C	F.100	101	4.50	3	10.80	4	13	"
KLM C	F.110	168	1.10	90	6.50	19	9	"
KLM P	F.90	—	—	20	3.80	—	—	"
KLM P	F.100	20	2.30 A	10	7	11	10.50	"
NATN C	F.110	3	8.30 B	—	—	—	—	F.116.60
NATN C	F.115	1	4	5	7	—	—	"
NATN C	F.120	58	1	17	4.50	2	7	"
NATN C	F.125	—	—	12	2.50	—	—	"
NATN C	F.130	—	—	—	—	1	2.80	"
NATN P	F.120	—	—	6	4.30	—	—	"
PHIL C	F.15	2	5.70	—	—	—	—	F.20.60
PHIL C	F.17.50	23	3.20	31	3.30	1	3.50 A	"
PHIL C	F.20	42	0.70	63	1.40	74	1.90	"
PHIL C	F.22.50	—	—	105	0.70	17	1.10	"
PHIL P	F.20	150	0.20	7	1	10	1.20	"
RD C	F.80	10	7.40B	—	—	—	—	F.87.40
RD C	F.85	235	3	—	—	—	—	"
RD C	F.90	10	0.60	96	3	61	5	"
RD C	F.95	100	0.10	82	1.50	—	—	"
RD C	F.100	—	—	—	—	52	2.30	"
RD C	F.110	—	—	100	0.50	17	1.20	"
RD C	F.120	—	—	10	0.20	—	—	"
RD P	F.80	160	0.20	—	—	—	—	"
RD P	F.85	144	0.50	—	—	—	—	"
RD P	F.90	303	2.70	30	7.70A	72	9.30A	"
RD P	F.95	59	8	37	10.50A	—	—	"
RD P	F.100	29	13	8	15.30	—	—	"
UNIL C	F.130	6	10	—	—	12	11.50	F.139.40
UNIL C	F.135	—	—	—	—	1	8	"
UNIL C	F.140	—	—	—	—	10	4.60	"
UNIL P	F.140	—	—	—	—	1	9.50	"
		May		Aug.		Nov.		
MANN C	DM.140	—	—	10	4.60	—	—	DM138.70
SLUM C	$100	—	—	10	7	2	10	$95⅛
SLUM C	$110	—	—	34	3⅛	—	—	"
SLUM C	$120	—	—	4	1¾	—	—	"
SLY C	$66½	2	9¾	—	—	—	—	$95

TOTAL VOLUME IN CONTRACTS 3647

A=Asked B=Bid C=Call P=Put



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UK COMPANY NEWS

German losses take their toll on ABM

INCLUDING losses of £1.67m from German operations, which were sold by the year-end, pre-tax surplus of the Associated Biscuit Manufacturers, biscuits, confectionery, snack foods group, dropped from £11.59m to £7.23m for 1980 on sales of £374.4m, against £328.7m

Mr. Gordon Palmer, chairman, says the plans made to increase trade in the UK and overseas are sound, and a number of decisions have been taken to reduce group overheads still further. In the long term the directors are confident that the group is well poised to operate at a respectable rate of profit, and this has led them to maintain the dividend at 4.44p net per share, with an unchanged final of 2.44p.

He says it is impossible to forecast the fortunes of the group in 1981, but, despite the recession, the catering supply business is making good progress. He adds that, as the group's products are in the convenience food market, "in these hard times it is reasonable to assume that they will suffer less than a number of other commodities."

After 36 weeks group profits had fallen from £5.42m to £1.25m.

In Germany it became clear, Mr. Palmer says, that in the last six months of the year despite the closure of one factory and the planned closure of another, that if Dickmann was to succeed it would need further cash injections. This was therefore sold at the year end, and by eliminating this trading loss the chairman is confident that the European division will operate profitably in 1981.

The chairman blames the German losses, the general recession, high interest rates—charge for the year rose from £4.28m to £6.94m — and export problems, for the disappointing results.

The UK snacks division performed well in a market which went against the trend and was reasonably buoyant, but the biscuit market was dull and highly competitive throughout the year. The confectionery sector was also affected by recession and the wafer trade, in particular, was down.

Exports were unprofitable in 1980, Mr. Palmer states. With a strong pound it was not possible to recover increased costs in higher prices without a "very serious loss of trade."

Pre-tax profit—on a CCA basis it was reduced to £3.2m (£6.84m) —was subject to tax of £2.76m against £3.57m, minority interests and preference dividends £339,000 (£471,000), and an extraordinary debit of £2.55m compared with £1.98m.

The attributable balance came through at £1.58m, against £7.56m last time which included a £1.99m surplus on the sale of the Reading site. Ordinary dividends will absorb £3.02m (£2.94m).

Before the extraordinary items earnings are shown as 6.2p (11.4p) and 0.02p (4.3p) CCA adjusted.

● comment

Trading profits of Associated Biscuits' UK operations were ahead about one-fifth in the 16 weeks since the interim stage and helped the company to produce a smaller decline than expected in the full year. ABM's new brand product launches, especially Trio, contributed significantly and the company is stepping up its advertising again this year to rebuild the share of branded products in its mix. After a £400,000 decline at the interim stage, the snacks business ended up with profits usefully ahead of last year. Total UK biscuit volume in the first quarter of 1981 was down 1 per cent and United Biscuits' announcement that it will hold prices this year means that the business will remain highly competitive. Against that, ABM will benefit from lower costs—the equivalent of 1,400 full-time employees have been taken out of the biscuit factories—loss elimination in Germany and lower interest rates. *After last year's unexpected setbacks,* investors may remain wary, although the shares put on 5p yesterday to 80p where the fully taxed p/e on profit in the ongoing businesses is more than 13. The yield on the maintained but uncovered dividend is 8.2 per cent.

Sharp fall for Clyde Petroleum

PROFIT before tax of Clyde Petroleum fell sharply from £2.73m to £1.14m in 1980, on turnover substantially up from £11.82m to £17.36m.

At the half year stage the company's pre-tax profit was higher at £996,000 (£757,000) and turnover stood at £7.75m (£4.91m).

The directors have recommended a dividend for the year of 2.2p (2p) per £1 share. They have also proposed to subdivide the ordinary and deferred shares on the basis of four 25p shares for every share.

There was a tax credit of £774,000 (£808,000 charge) and unrealised exchange differences were £665,000 (£521,000). Minority interests took £118,000 (£92,000) leaving £1.13m (£1.31m) attributable.

Stated earnings per share emerged at 21.2p (25.2p). Profit on a CCA basis was reduced to £373,000.

On a CCA basis pre-tax profit came out at £373,000 and earnings per share at 13.1p.

RMC suffers in second half

DESPITE A drastic fall in UK demand in the second half—profits dropped £7m to £25m—and a substantial adverse effect in the translation of overseas profits, Ready Mixed Concrete finished 1980 just behind with a taxable surplus of £46.61m, compared with £47.28m.

Turnover of this construction materials group was also down, from £749.6m to £735.14m.

The dividend, however, is lifted from 8.25p to 9p net per 25p share, with a final payment of 5.3p. Earnings were 29.8p against 33p.

At *midway, when profits had* moved ahead from £15.21m to £21.52m, the directors warned that trading conditions, particularly in the UK, had become more difficult.

An analysis of the year's turnover and operating profit—ahead at £51.12m (£50.88m) — shows that the UK side rose slightly, but that the contribution from West Germany and the other countries slipped behind: UK turnover £385.6m (£366.1m) and profit £27.94m (£27.01m); West Germany £213.33m (£251.09m) and £13.34m (£14.38m); and other countries £136.25m (£132.43m) and £8.84m (£9.44m).

Pre-tax figure included associates share of £356,000 (£690,000), but was struck after depreciation of £29.23m (£26.52m), interest, up from £4.24m to £4.86m, and was subject to tax of £17.66m compared with £15.56m.

Minority interests took £4.96m against £6.1m, and the amount retained came through at £16.74m (£19.95m)—there was an extraordinary credit last time of £897,000.

CCA adjusted pre-tax profit is given as £31.87m.

● comment

The contrasting pattern of weather in 1979 and 1980 means that half-year comparisons for Ready Mixed Concrete are misleading. Over the whole year UK ready mixed volume has fallen by 8 per cent, with a 4 per cent decline in West Germany. So pre-tax profits have been squeezed by 1½ per cent for the year. The company is resigned to at best maintained profits year in the UK, consequent on a further sizeable reduction in demand. But it could well be caught by surprise in West Germany, where some forecasters are predicting a decline in demand of almost the same extent—perhaps 6 per cent. With little change in the contribution from other foreign countries, the out-turn this year may be down as much as £5m. After the increased dividend, the current cost cover is 1½ times, while the yield on the share price of 205p, 2p lower yesterday, is about 6½ per cent.

Expanded Metal falls £1.48m

PRE-TAX profit of Expanded Metal Company fell substantially from £2.53m to £1.05m in 1980, on turnover marginally down from £32.64m to £32.74m.

The directors have recommended a maintained final dividend of 2.5p per 25p share making a same again total for the year of 4.5p.

They say that as indicated at the interim report, trading in the middle period of the year was difficult, but profits were kept at a reasonable level. Towards the end of September savage destocking swept the group's customers. This persisted through the final three months and group profits for the third quarter were eliminated.

Higher interest charges of £455,000 (£303,000) also took their toll they say.

Looking to the current year they say group losses continued into January although at a reduced rate. Since then there has been a slow improvement and by March the group made a modest profit.

The results for 1981 will depend on any upturn in the UK economy they add. The process of cost cutting has been continued into the current year, though because of a strong balance sheet, not to the extent of impairing the company's ability to respond to any upturn.

Pre-tax profit for the year was struck after a charge for exchange losses of £161,000 (£6,000). Tax for the year came out as a credit of £508,000 (£675,000 charge), leaving an amount attributable of £1.56m (£1.85m).

The dividend for the year absorbed £978,000 (£977,000) and stated earnings per share were 7.16p (8.64p), and 3.28p (2.21p) on a CCA basis. Current cost profit before tax came out at £210,000 (£1.15m).

Hallam Grp. losses reduced

IN LINE with directors' predictions at midyear, when pre-tax losses were reduced from £152,000 to £99,000, Hallam Group of Nottingham made further progress in the second half of 1980 and for the year as a whole the group incurred a *deficit of £83,000, compared with* £339,000.

However, there is again no preference dividend — the payment is in arrears since July 1, 1976.

Turnover of the group, which manufactures system buildings, improved from £10.09m to £11.15m. There was a tax credit of £67,000 (£146,000 charge).

On a CCA basis the pre-tax loss is given as £158,000 (£560,000).

Although the intake of orders for the current year, is at a satisfactory level, trading conditions are expected to remain difficult.

Commenting on the results the directors say that the progress in the system building division continued and despite intense competition and high interest rates, the division operated at a profit during the second half. However, poor results in the plastics division, which suffered from falling demand, partly offset this improvement.

Streeters remains in profit over year

DESPITE A drop in turnover from £11.57m to £9.34m Streeters of Godalming, public works contractor has bounced back into the black, reporting a pre-tax profit for 1980 of £215,000, compared with a loss of £1.04m.

However, the directors are again recommending no dividend. They say in order to continue the group's recovery they feel that all the cash resources available should be retained as working capital.

The last payment was a final of 0.86p for 1977, which brought the total up to the equivalent of 1.693p net.

At midyear there was a taxable profit of £147,000 (£394,000 loss).

After a tax credit of £597,000 (£560,000) stated earnings per 10p share were 2.9p, against a loss per share of 15.1p. There were no minority interests (£17,000).

There was a net profit over book value of £64,000 (nil) arising from the sale of the group's shareholding in Rees-Hough and Shorco Trench Systems.

The directors say the order book is in the region of £10m and a steady flow of tenders is being maintained. Cut-backs have been achieved and the group is now able to tender competitively and maintain a margin, they add.

All claims in Saudi Arabia have been settled, other than the contractual claim by the group which is the subject of an arbitration hearing.

Change Wares plan approved

SHAREHOLDERS in Change Wares, the *loss-making* steel *shelving* and *stockholding* group, yesterday overwhelmingly approved the group's capital reconstruction plan. This paves the way for an underwritten rights issue which will raise at least £700,000 new equity capital this year, and provide for a further capital injection of at least £300,000 next year.

This injection is regarded as crucial to the company's future trading. Its bankers, Barclays, had indicated that without it they would withdraw support for the company. Bank borrowings at February 28 amounted to £3.2m.

The rights issue has been underwritten by Page Mill (a New York investment partnership which already has a 10 per cent) and Samuel Montagu. To make funds available as early as possible Page Mill has agreed to advance £300,000 as a loan secured on certain items of plant.

The group's accounts for 1980 reveal that an unquantified claim has been submitted following the departure from the group of Mr. Mervyn Smith. He was appointed managing director last September, ceased to be employed by the company on February 18 and subsequently resigned as a director.

The listing of the company's shares—suspended at 5p on February 18—will be restored today.

The accounts state that Emess Securities, which entered into an agreement to provide to the company the services of Mr. Smith, has alleged that the termination of such services was in breach of that agreement. The company says it "considers it had sufficient grounds to effect the terminaton and that no termination or compensation or termination payment is due." The case has gone to arbitration.

Change Wares has also received a claim from Mr. Geoffrey Rose, the former chairman who left the company in January 1980. Mr. Rose claims that he is entitled to be indemnified by the company in respect of court proceedings brought against him by Stephen Parkyn.

Stephen Parkyn is claiming from Mr. Rose commission on the acquisition by the company of its shares in H. Stockwell and Company amounting to £27,270 together with interest and costs. Mr. Harold Chaffe, the Change Wares chairman, said yesterday that the group would indemnify Mr. Rose for whatever amount he became liable for in this case.

The other proceedings against Mr. Rose by Stephen Parkyn relate to commission on the acquisition by him and other of shares in the company amounting to £18,377 plus interest and costs. Mr. Chaffe said that Mr. Rose's claim for indemnity in this case will be contested vigorously.

YEARLINGS UP

The interest rate for this week's issue of local authority bonds is 12¼ per cent, up ¼ per cent from last week. The bonds are issued at par and are redeemable on April 21, 1982.

A full list of issues will be published in tomorrow's edition.

BERADIN RUBBER

In the year ended September 30, 1980, profits of Beradin Rubber Estates fell from £441,265 to £358,880. The figure included a net realised capital gain of £542, not £542,000 as stated yesterday because of an agency error.

The final dividend is effectively held at 0.4p for a total of 0.75p (0.76p).

London Shop £5m rights meets strong opposition

McLeod Russel, the tea plantation to property group, has come out strongly against the proposed near £5m rights issue by London Shop Property Trust, in which it has a 20 per cent stake.

Sir John Jardine Paterson, McLeod Russel's chairman, urged London Shop shareholders to vote against the proposal at a meeting on April 24, just after Easter.

Noting that London Shop wanted to invest the money in improving the quality of its portfolio by purchasing properties at yields of around 9 per cent, he said: "We believe this rationale is fundamentally misconceived."

Sir John has written to *London Shop shareholders* expressing his company's disapproval of the rights issue. "With prime retail property available at yields of only 3.75 per cent to 4 per cent, we have grave doubts over the capital growth potential of property purchased on yields of 9 per cent or more."

He added that McLeod Russel did not believe it was in shareholders' interests that they *should be asked to invest further* capital in this way.

Included in the letter is the *text of one written to McLeod* Russel by Conrad Ritblat, the surveyors and valuers, in which *they state that with prime retail* investments yielding only 3.75 to 4 per cent, "it would not be *possible* in our view to reinvest the proceeds of the rights issue in anything but tertiary investments to cover the coupon on the proposed rights issue of 9 per cent."

Such tertiary premises, it added, "could only be regarded as substandard in quality with questionable future growth, poor *future capital appreciation* and doubtful future resale prospects."

If the rights issue went through, Sir John said, "we will then have to consider seriously whether we wish to remain as a shareholder in London Shop."

LAND INVESTORS

Pre-tax profit for the half-year to September 28, 1980, of Land Investors rose from £1.16m to *£1.24m. For the year to end-*March, 1980, this London-based property investment company *made a profit before tax of* £2.42m (£2.34m).

The directors have declared a *maintained net interim* dividend of 0.2p per 25p share. The total dividend last time was 1p.

Cory falls but holds dividend

PROFITS before tax of Horace Cory and Company, chemical colour manufacturer, fell from £479,995 to £311,277 during 1980 on lower turnover of £2.38m against £2.78m.

Earnings, *after tax of £49,802* (£119,759) are shown down from 3.88p to 2.81p per 5p share. The dividend is held at 1.3p with a final of 0.7p and, including preference, again absorbs £122,740, leaving a retained surplus of £138,735 *(£237,496)*.

The pre-tax profit, which is reduced to £37,000 after CCA *adjustments, includes interest* receivable and capital profits of £74,497 (£53,970).

BIDS AND DEALS

Morgan Grenfell forms U.S. sub.

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

Morgan Grenfell, the London-based merchant bank, has formed a subsidiary in New York to develop its corporate finance activities in the U.S.

The bank has had an office in New York since 1974, but it now feels a full subsidiary is needed *to allow it to transact business* in the U.S. Until now the New York office has handled marketing but transactions have been dealt with by the head office in London.

Under Federal Reserve Board regulations Morgan Grenfell Inc., the new subsidiary, will still be unable to conduct purely domestic business, but will be allowed to do business involving international mergers and *acquisitions and the arrangement* of private placement finance in the U.S. for non-U.S. borrowers.

The decision to set up the $1m subsidiary has been made with the full support of Morgan Guaranty, which still owns one third of Morgan Grenfell's capital. The two banks both trace their origins to Junius Spencer *Morgan, a New England* banker who became involved in the City during the second half of the last century.

Mr. Richard Webb, a director of Morgan Grenfell, said yesterday that the limitation preventing the new subsidiary conducting purely U.S. business may give it some advantage in *soliciting* business from the clients of U.S. regional banks.

Unlike the major U.S. invest*ment banks, Morgan Grenfell* would be in no position to take the domestic investment banking business of such corporations away from the regional bank involved, he said.

Mr. Webb pointed to the lucrative nature of corporate advisory work. "If we can scratch 0.01 per cent of the fee *income in New York* we shall be doing nicely," he said.

But in a broader perspective *the decision to set up the New* York subsidiary was "part of a general feeling that the future of Morgan Grenfell lies in being an international merchant bank with a strong advisory capability."

Later this year Morgan Grenfell also hopes to open a representative office in Tokyo.

Fraser orders computers

House of Fraser has placed a £1.2m order with International Computers. It is for new computerised equipment to modernise the Dingles store group in the south west.

The move is part of Fraser's *plan to modernise, and follows* the introduction of point of sale equipment at Dingles store at Bristol, and is based on a similar system already in the Binns group.

Over 360 ICL 9510 point of sale terminals and 36 retail store controllers will be installed over the next two years in 19 Fraser *stores throughout* the South West.

Saudis join Evered

Two representatives of the Saudi businessmen who were instrumental in blocking Francis Industries' bid for Evered joined the Evered board yesterday.

Mr. Raschid Abdullah and Mr. Osman Abdullah have been appointed to the board following several meetings in recent weeks with Mr. Sandy Saunders, Evered's chairman.

The Saudi's increased their holding in Evered from 12 to 29.96 per cent when Francis, a company also chaired by Mr. Saunders, made a 22p a share cash offer.

Though the Evered board backed the Francis offer the bid lapsed in the face of acceptances amounting to under 10 per cent.

Apart from the holding bought by the Abdullahs a *further 5.57 per cent of Evered* was snapped after Francis' approach by a Swiss company with Saudi connections. Astra Industrial also increased its holding to 16½ per cent.

NO PROBE

The merger of S. Pearson and Son and Cedar Point Inc. is not being referred to the Monopolies Commission.

CMT ACCEPTANCES

The offer for Central Manufacturing and Trading has become fully unconditional. Valid acceptances have been received in respect of 24,822,057 new CMT shares and 24,822,057 deferred shares, representing 93.89 per cent of each class. The offer remains open.

Valid acceptances of the cash offer have been received in respect of 12,813,512 ordinary shares. *This offer is now closed.*

DENBYWARE

On behalf of Crown House, further purchases have been made in Denbyware. A total of 97,500 shares were bought at 124p per share.

EMI AUSTRALIA

Thorn Electrical Industries, the Australian subsidiary of Thorn EMI Group, is bidding for the 38 per cent of EMI Australia it does not already own. The offer price values the minority holding at Australian $10.5m.

However, the Australian Government has told Thorn Electrical Industries that the Foreign Investment Review Board requires additional time to consider the offer.

The obstacle is primarily the transfer of EMI's defence electronics division to a totally foreign company. The review board will seek further informa*tion on the parent company's* intentions with respect of offering local participation if the offer were successful.

PENNINE COMMCL.

Pennine Commercial Holdings has acquired a freehold development site at Brighouse, West Yorkshire, with planning permission for 58 housing units.

Purchase consideration is £180,000 to be satisfied as to *£50,000* cash and the balance by the issue of 1.18m ordinary in Pennine.

LEIGH/MITLYN

Leigh Interests has entered into an agreement with Mr. Irving Press to acquire all 2,250 "B" ordinary 10p shares of Mitlyn, a company incorporated in the UK. This will give it 51 per cent of the votes and the right to 25 per cent of the dividends.

The consideration of £150,000 will be satisfied by the issue of *93,750 ordinary shares of Leigh*.

OLD SWAN HOTEL

Aberdeen Investments has acquired 100,000 ordinary shares of Old Swan Hotel (Harrogate), increasing its holding to 125,000 shares (5.0 per cent). Aberdeen's holding has been acquired at an average cost of 59.3p per share, including expenses.

ASSOCIATE DEAL

S. G. Warburg as an associate of Lloyds and Scottish has bought on behalf of discretionary investment clients 65,000 Lloyds and Scottish at 199p.

ELECTRA/SIG

Following the purchase of 48,500 shares, Electra Small *Companies Exempt Fund* is now interested in 296,681 shares (6.24 per cent) of Standard Industrial Group.

Electra Fund Managers and Temple Bar Investment Trust are both similarly interested in those same shares.

Electra Small Companies Fund, an authorised unit trust managed by Electra Fund Managers, a wholly owned sub of Temple Bar Investment Trust, owns 125,590 shares (2.64 per cent).

LONDON TRADED OPTIONS

(Total contracts 768)

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	360	24	9	48	1	58	—	382p
BP	460	½	—	6	4	—	—	"
Com. Union	140	25	2	33	—	36	—	162p
Com. Union	160	6	2	17	—	23	—	"
Cons. Gold	460	13	1	45	10	62	1	466p
Cons. Gold	488	4	5	—	—	—	—	"
Cons. Gold	500	—	—	27	15	37	1	"
Cons. Gold	550	—	—	14	—	20	1	"
Cons. Gold	588	¼	—	6	9	—	—	"
Courtaulds	60	10	6	12½	69	15½	—	68p
Courtaulds	70	2½	—	6½	12	10	21	"
GEC	600	83	16	100	—	117	—	680p
GEC	650	33	17	58	—	78	—	"
GEC	700	4	—	25	1	45	—	"
Grand Met.	140	58	2	63	—	66	—	197p
Grand Met.	180	18	—	26	25	29	—	"
Grand Met.	200	3	—	14	3	18	—	"
ICI	280	2	—	15	—	22	1	266p
ICI	300	½	—	6	55	13	—	"
ICI	330	½	—	2	5	—	—	"
Land Sec.	420	4	13	23	—	36	—	412p
Marks & Sp.	110	16	27	22	—	27	—	125p
Marks & Sp.	120	6½	32	15	22	18	5	"
Marks & Sp.	130	2	—	7½	21	12½	—	"
Shell	360	8	—	32	—	44	15	362p
Shell	390	1	—	16	—	28	32	"
Shell	420	¼	—	5	—	15	15	"
Shell	460	¼	—	2	—	7	3	"
Totals			132		252		95	
		May		August		November		
Imperial Gp.	80	1½	—	4	6	5	6	76p
Lasmo	600	74	—	97	—	112	—	567p
Lasmo	650	27	8	60	—	77	—	"
Lasmo	700	3	—	14	4	25	—	"
Lonrho	100	3½	—	8	—	11	5	93p
Lonrho	110	1½	—	5	10	7½	3	"
P. & O.	110	45	5	46	—	—	—	154p
P. & O.	120	35	3	37½	—	41½	—	"
P. & O.	130	25	2	29½	1	34	—	"
P. & O.	140	15	10	22	—	27½	—	"
P. & O.	160	6	—	11½	35	14½	—	"
Racal Elec.	390	6	10	24	—	37	—	374p
RTZ	414	50	7	—	—	—	—	460p
RTZ	420	—	—	60	2	78	—	"
RTZ	454	22	15	—	—	—	—	"
RTZ	460	—	—	45	2	65	10	"
RTZ	484	6	3	—	—	—	—	"
RTZ	500	—	—	23	16	40	5	"
Totals			60		76		28	

MINING NEWS

RTZ kept ahead in 1980 but faces harder year

BY KENNETH MARSTON, MINING EDITOR

IN LINE with world economic conditions, the UK-based Rio Tinto-Zinc Corporation international mining and industrial group enjoyed a good first half in 1980 followed by less prosperous conditions in the second half.

Thet net result is largely as expected: a modest rise in total net earnings to £155.4m, or 61.56p per share, compared with £149.8m, or 59.42p per share, for 1980.

While the latest profit is a record in historical terms, RTZ points out that the percentage increase over that for 1979 did not match *the general rate of* inflation over the period. And lower earnings are forecast for the first half of 1981.

As forecast by RTZ at the half-time stage last year, a final dividend is declared of 10.5p net. This makes a total for the year of 16p compared with 15p for 1979: the modest increase in dividend is *slightly* larger than the rise in earnings.

	1980 £ millions	1979
Group sales revenue	2,795.8	2,516.6
Group operating profit	477.3	449.0
Share of assoc. cos. ...	49.3	34.8
Div. and int. receivable	55.8	36.7
Making	582.4	520.5
Interest payable	75.4	67.8
Group profit before tax	507.0	452.7
Taxes	216.7	186.5
Group profit after tax	290.3	266.2
Outside holders	134.9	116.4
Att. before ext. items	155.4	149.8
Earnings per share	61.56p	59.42p
Extraord. items	11.1	(32.9)
Profit after ext. items	166.5	116.9
Divs. paid and proposed:		
Pref.	0.4	0.4
Int. of 5.5p ('79:4.5p)	25.7	10.9
Fn. of 10.5p ('79:10.5p)	25.7	25.6
Retained	127.0	80.0

The major factor in the increase in 1980 profits was Rossing Uranium in Namibia which raised its contribution to £21.1m from £12.6m last time thanks to increased production of uranium oxide—about 5,200 short tons compared with 4,950 short tons—*and higher contract* prices.

Gold — notably from the Bougainville mine — *and silver* also contributed more. The average copper price for the year *of* £941 per tonne was slightly above the 1979 average of £936 while producer prices of zinc were also marginally higher. The market price of lead, however, dropped to £391 from £566. Group sales revenue rose to a record £2.79bn from £2.52bn.

Of the group's major companies, apart from Rossing, the *Australian CRA raised its 1980* earnings by 24 per cent and the iron ore-producing Hamersley enjoyed a lift of 85 per cent, but the latter is now in a difficult year.

The Comalco aluminium group earned more while there was little change at the U.S. Borax and Canadian Rio Algom divisions. *On the other side of* the coin, lower earnings were reported by Bougainville (because of reduced production and higher costs), and by the South African copper-producing Palabora and the Australian Mining and Smelting lead-zinc operations.

The RTZ group now *faces lower earnings in the first half*, at least, of the current year and while hoping—like the *rest of the mining industry* — for an improvement in metal prices during the second half is clearly prepared to face a lower total for 1981.

But the well-covered dividend seems safe enough, especially as the cost of the settlement of the U.S. uranium litigation has been fully provided for in the 1980 accounts.

Looking ahead, three new projects are particularly worth bearing in mind. The first is the *CRA-led Ashton diamond venture* in Western Australia. The group reckons that diamond produc*tion is some two years away*, which is longer than has been generally expected. The delay may be explained by the fact that its output will be mainly in the industrial and very small gem diamonds which are in over-supply at the moment.

Around 1987 we could see the start of production at the $870m (£402m) Quartz Hill molybdenum mining operation near Ketchikan in Alaska and the huge $2bn-plus Cerro Colorado copper project in Panama.

The latter faces a two-year pilot plant testing phase prior to the proposed 100,000 to 120,000 tonnes of ore per day mining operation and will require a minimum copper price in the region of $1 to $1.20 per pound *in today's money*. *The current* price is 90 cents.

Financing plans have still to *be worked out for Cerro Colorado* between RTZ and its Panama state partner Codemin, but no particular problems are expected. RTZ takes the view that capital can always be raised for a good mining venture; no doubt making the point that mining companies can live without "oil" money.

As for the much-discussed subject of the possibility of a bid being made for RTZ by an oil major, there is nothing new to report. No approaches have been made.

In London yesterday, RTZ shares dipped to 458p immediately following the results and closed 5p down on balance at *460p*.

See Lex, Back Page

'Johnnies' gold mines retreat

THE RECENT weakness in the golr price has cut sharply into the profits of the South African gold mines in the Johannesburg *Consolidated Investment* group.

Net profits of Randfontein Estates for the three months to March 31 fell by 39.5 per cent to R28.73m (£16.4m), while at Western Areas the decline was an even steeper 59.1 per cent to R14.51m.

The average gold price received by Randfontein fell by 19 per cent to R12,770 per kilogramme (equal to $489 an ounce at current exchange rates). Western Areas did slightly better with an average price of R12,856 per kilogramme ($493 an ounce), a fall of 17 per cent.

Both mines produced less gold, although Randfontein lifted its *gold grade to 5.4 grammes* a tonne from 5.1 grammes. The rise in working costs was contained to around the 5 per cent level.

Western Areas also faced a tax charge of almost R3m, compared with a credit last time of R269,000.

The results provide a clear illustration of the problems faced by the more marginal mines in South Africa, where even minor fluctuations in the price, grade or the amount of gold produced have a marked effect on profits.

The better-quality mines in the Consolidated Gold Fields group, for example, last week produced profits about 20 per cent lower over the same period.

	Mar. qtr. R000	Dec. qtr. R000	Sept. qtr. R000
Randfontein	28,731	47,494	38,410
Western Areas ...	14,514	35,481	26,070

New projects under way at Weir

A NUMBER *of* interesting development projects are under way at the troubled Weir Group, including some based on new design concepts for down-hole oil recovery pumps and sewage lift pump systems, says Lord Weir in his last annual report as chairman.

Auditors Arthur Young McClelland Moores and Company have prepared their report on the troubled Weir Group on *a going concern basis and sub*ject to implementation of the proposed capital reconstruction.

Under the recently announced rescue package, put together by banks and the financial institutions, the pump maker and engineer is to receive £16m aid.

Lord Weir, who handed over chairmanship to Sir Francis *Tombs on April 1*, says that radical action was taken during 1980 to bring production capacity and costs into line with the level of business which could be realistically expected. These are important steps towards the group's return to prosperity but, meanwhile, for the year to January 2, 1981, operating profit *of Weir Group, as known, dived from £5.83m to £2.31m on turn*over of £160m (£149m), excluding discontinued activities.

Sharply higher interest costs and near £2.8m in redundancy costs pushed the loss at the pre-tax level up to £8.25m (profit £2.08m) and the dividend is being passed (1.8634p).

The setback was chiefly in engineering where operating loss was £2.54m (profit £2.8m) on turnover of £91m (£73m).

In the desalination and heat exchange division profit slipped to £2.28m (£2.74m) on sales down at £35m (£46m). The main problem here is winning large scale business. The group's policy is now directed towards joint ventures and the provision of technology rather than to *major contracting responsibility*, the chairman says.

Only foundries and engineering supplies improved with profit of £2.57m (£2.41m) on turnover of £40m (£36m).

Planned capital spending at year-end stood at £345,000 (£3.46m) of which £102,000 (£1.31m) had been authorised but not contracted.

Directors' *emoluments* were down £10,000 (£12,000) but there was a payment of £30,000 compensation for loss of office.

The actions taken during the year included closing O.H. Steel Founders and Engineers — *the* cost of which had been provided for in the previous year's accounts—and transfer of its workload to other group foundries.

The *numbers* employed at Catton and Co., the group's largest foundry, was cut by 323 to 564. At Weir Pumps the workforce was cut by 1,100 including staff and directors and the top management and board was completely reorganised. Staff at Weir Westgarth was almost halved.

Overall the reductions cut the total workforce from 9,200 in 1979 to 6,300 at the end of 1980.

Strong emphasis on improved cash management without extending the period of credit from suppliers helped contain the level of borrowings.

Meeting, Glasgow, May 27 at noon.

هكذا في الأصل

Burroughs opens year with heavy drop in earnings

BY PAUL BETTS IN NEW YORK

BURROUGHS, the U.S. computer manufacturer which has been plagued by a series of problems and is now in the midst of a major reorganisation, yesterday reported a 53 per cent decline in first quarter earnings from $47.6m to $22.3m.

But Mr. Michael Blumenthal, Burroughs' new chairman and the former Treasury Secretary, said the first quarter performance was essentially in line with expectations. "We do not expect overnight results from the many operating improvement programmes and structural changes previously announced and now being implemented," he said.

Mr. Blumenthal added that these improvements were designed to provide a solid base for "strong, profitable growth throughout the 80s and beyond."

However, he said that the second half of this year would show an improved performance.

The company's revenues in the first quarter increased 12 per cent to $756.5m, with revenues from sales increasing by 12 per cent, from rentals by 7 per cent and from services by 15 per cent. Per share profits were 54 cents against $1.16.

Incoming orders were at much the same level as the same quarter last year, reflecting a small increase in the U.S. market and relatively flat performance overseas.

Meanwhile, Honeywell, which produces control systems as well as information processors, reports higher earnings for the first quarter but is cautious about the outlook for the remainder of the year. It still hopes that 1981's earnings will match last year's $12.57 a share but does not expect earnings to show a rise in every quarter.

For the opening quarter, earnings of $50.9m, or $2.25 a share, compared with $4.43m, or $1.99. Revenues moved up from $1.13bn to $1.21bn.

First Penn back in the black in first quarter

By Our New York Staff

FIRST PENNSYLVANIA, the banking group which had to be rescued from financial crisis last year, yesterday reported its first profitable quarter since the third quarter of 1979.

But Mr. George Butler, chairman, warned that the company's $7m first quarter profit would probably represent its best quarter of this year.

In May, the interest costs associated with the loan which enabled the bank to survive last year are due to increase sharply. Offsetting these costs would be "a formidable challenge."

He noted, however, that the first quarter performance was better than planned for, and had been helped by the fact that for most of the period, the bank's prime rate had provided an unusually large favourable spread over its cost of funds.

The first quarter profit compared with a loss of $3.1m from continuing operations in the same period of 1980.

A & P runs up $43m loss but sees upturn in sales

BY IAN HARGREAVES IN NEW YORK

GREAT Atlantic and Pacific Tea (A and P), the large U.S. supermarket chain controlled by Tengelmann of West Germany, suffered a loss of $43m last year, but enjoyed an encouraging upturn in sales in the final quarter of the year.

In the fourth quarter, A and P's loss was $4.2m on sales of $1.89bn, compared with a loss of $13.5m. on sales of $1.68bn in 1979-80. That represented a sales gain of 13 per cent, the strongest quarter of sales growth A and P has had for many years.

For the year, which ended in February, the loss of $43m came on sales of $6.99bn, compared with a loss of $3.8m on sales of $6.68bn the year before.

The results illustrate the impact of the strategy adopted by Mr. James Wood, the British executive who became chairman of A and P last April.

Mr. Wood reversed a previous plan of reducing the size of the company by shutting the least profitable stores and is instead going for more sales with some additional stores, while trying to improve the profitability of the problem units.

A and P recently announced it was considering taking over an upstate New York supermarket company, Niagara Frontier Services.

Mr. Wood has said that he does not expect A and P to show profits until 1983. He noted that the company was now without short-term debt and that its financial condition remained very strong.

The 1981 loss includes a $9.4m reserve to cover the costs of an employee severance programme, which is designed to reduce A and P's labour costs.

Because A and P is an older company based in a high cost part of the country, the north-eastern U.S., it has suffered from having a higher than usual percentage of senior, and therefore, more highly paid, employees.

Merrill Lynch shows 31% gain

By Our New York Staff

MERRILL LYNCH, Wall Street's largest investment group, yesterday reported a 31 per cent gain in first-quarter net income, in spite of a decline in revenues from its main business, the taking of commissions on securities transactions.

Merrill earned $45.2m in the quarter on revenues of $891.3m compared with earnings of $34.5m on revenues of $694.3m a year earlier.

Mr. Roger Birk, the chairman, said that the decline in commission revenues had been more than offset by a 164 per cent increase in revenue from principal transactions. The strongest performance in this sector was from the municipal bond trading operation, which benefited from high volume in the market and from a large spate of new municipal issues. Revenue from activity in municipals was four times the level of last year.

Mr. Birk said the results again demonstrated the virtue of Merrill's diversity. Reviewing activity in other areas of the company's business, he noted that there had been a 26 per cent gain in investment banking revenues and a 36 per cent gain in revenues from interest to $391.4m. But the latter gain was cancelled out by a 44 per cent gain to $316.6m in interest expenses.

The company's property activities had been slowed by the general recession in residential real estate, but Merrill had "moderate but persistent growth" in its mortgage insurance business.

- Gulf and Western Industries has increased its interest in B. F. Goodrich to 7.14 per cent from 5.96 per cent with the purchase of an additional 211,800 shares for $5.59m at prices ranging from $25.50 to $27.375 a share.

Dubai Sheikh loan default

By Peter Montagnon

THE NATIONAL Bank of Abu Dhabi said last night it had obtained a summary judgment in the British High Court allowing it to declare a loan to a Dubai Sheikh in default.

The $16m loan, granted in 1978 to Sheikh Mohammed bin Khalifa al Maktum to develop a shop and office complex in Dubai, has been the subject of litigation since the borrower claimed that under Moslem law he should not pay interest.

The British court judgment entitles the lenders to claim principal of $15.75m, interest of $1.98m and unspecified litigation costs from the borrower.

National Bank of Abu Dhabi is agent for the loan but funds were also provided by Emirates National Bank, Union Bank of the Middle East, Banco Arab-Espanol, the UBAN Arab-Japanese Finance Company of Hongkong and Candida Ag of Liechtenstein.

$100m Eurobond for the Bank of Montreal

BY OUR EUROMARKETS STAFF

The Bank of Montreal yesterday launched a $100m five-year straight dollar Eurobond through its subsidiary, the Bank of Montreal Mortgage Corporation. Lead manager is UBS (Securities), which has fixed the coupon at 14¼ per cent and the price at 99¼ per cent to yield 14.40 per cent.

The issue follows three straight bonds from Canadian banks during the past four weeks. These were for Toronto Dominion at 14 per cent, due in 1986, the Canadian Imperial Bank of Commerce at 14¼ per cent to 1984, and the Royal Bank of Canada at 14 per cent to 1986. Last night these three issues yielded 14.37, 14.61 and 14.56 per cent respectively.

Trading on the secondary market for Eurodollar bonds was quiet. Prices were generally up by around ½ point after what dealers described as an over-reaction on Monday to fears of a tighter U.S. monetary policy.

In the D-Mark sector, the new Finland DM 100m eight-year issue, through Dresdner Bank, was priced at 99½ per cent to yield 10.14 per cent. Secondary market prices stabilised after the heavy losses on Monday and finished the day unchanged.

Today's new issue of DM 100m for Norges Kommunalbank, lead-managed by WestLB, should offer a yield of slightly more than 10 per cent. However, some market participants doubt the willingness of the borrower to come to the market on such high terms.

Swiss franc foreign bonds shed ½ point in thin trading. Chujitsuya, a Tokyo retailer, has privately placed a SwFr 50m six-year convertible issue through Credit Suisse. The notes carry a 5 per cent coupon and a conversion premium of just over 5 per cent.

Flat result for Signal

By Our Financial Staff

SIGNAL COMPANIES, the diversified industrial and services group, had flat earnings in its first quarter after loses from its Mack Trucks division offset gains in its high technology operations.

The Mack operations turned in a $2m loss compared with a $6m profit in the 1980 first quarter, leaving group net profits at $47.8m, against $47.7m. Quarterly earnings were included at $3m gain from an accounting change on deferred income tax on export income.

International Paper ahead

By Our New York Staff

INTERNATIONAL PAPER, the largest paper company in the U.S., has reported substantially higher first quarter earnings of $147.4m compared with $89m in the corresponding period of 1980.

But earnings this time include $65m after tax from major land sales. In the first quarter of 1980, similar sales resulted in gains of $10.4m.

The company said that first quarter earnings were after a $8m charge after tax from phasing out of some unprofitable product lines. The latest quarter also included a $5.7m gain from the capitalisation of certain interest costs.

Sales in the first quarter were $1.3bn against $1.2bn and per share profits were $2.85 compared with $1.80.

Mr. Edwin Gee, the chairman, said the company was approaching the second quarter with "caution." IP economists were forecasting that real GNP would decline by about 2 per cent on an authorised basis, he added.

Another sharp earnings fall for Allis-Chalmers

BY OUR FINANCIAL STAFF

DEMAND CONTINUES to fall in all major markets of Allis-Chalmers, which manufactures equipment for farming, mining and electrical industries, and earnings for the first quarter of this year show another substantial fall.

Total net for the quarter slumped from $7.1m to $1.3m or 5 cents a share, although sales, in money terms, moved higher—$525.1m against $473.8m last time.

Earnings in 1980 fell from $6.23 to $3.60 a share.

Mr. David C. Scott, chairman and chief executive, commented that more normal market growth trends are expected in the latter part of the year—"given favourable lower interest rates."

Good start at Rubbermaid

PROFITS have increased in the first quarter of this year at Rubbermaid, the manufacturer of rubber and plastic housewares and motor car accessories. Comparisons are affected, however, by the closure at the beginning of this year of Rubbermaid Party Plan, writes Our Financial Staff.

Earnings of $6.2m or 80 cents a share for the opening quarter compare with earnings of $5m from continuing operations a year ago. The 1980 total is before a loss of $389,000 from discontinued operations, which makes the final first quarter net earnings $4.6m, or 59 cents. Sales in the quarter rose to $82.7m from $77.6m.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Wednesday, May 13. Closing prices on April 14

U.S. DOLLAR STRAIGHTS — [illegible]

DEUTSCHE MARK STRAIGHTS — [illegible]

SWISS FRANC STRAIGHTS — [illegible]

YEN STRAIGHTS — [illegible]

OTHER STRAIGHTS — [illegible]

FLOATING RATE NOTES — [illegible]

CONVERTIBLE BONDS — [illegible]

[illegible]

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A MEASURE OF REAL ESTATE MANAGEMENT

Daon concentrates on growth in assets

BY WILLIAM COCHRANE

"PEOPLE ARE migrating to where there is employment opportunity and that is where there will be demand for real estate . . . . we intend to be there to service that demand." When Mr. Mac D. Campbell, chief financial officer of Daon Development Corporation, said this in Montreal last December, he was talking about the past as well as the future.

Incorporated in British Columbia in 1964 and with a U.S. involvement dating from 1976, Daon was taking an increasingly aggressive interest in Alberta by late 1973. Over the past five years, notes Mr. Campbell, Alberta has recorded a population growth rate of three times the national average.

Alberta's growth rate may slow down, perhaps to the benefit of British Columbia, but in the meantime, Daon is watching the high relative growth rates in other areas of its activities, such as California, Florida and Washington state. By last October 31 its U.S. property portfolio, at book value, accounted for 63.3 per cent of the C$1.2bn (U.S.$ 1.14bn) total.

FIVE YEAR FINANCIAL HIGHLIGHTS

	1980 C$	1979 C$	1978 C$	1977 C$	1976 C$
Years ended October 31:					
Total assets	1.67bn	1.22bn	654m	464m	278m
Net market value of assets per common share	9.81	7.46	4.30	2.58	2.03
Earnings per common share	1.32	1.10	0.42	0.27	0.19
Years ended December 31					
Common share price range					
High	12.50	10.375	3.75	2.125	0.562
Low	4.80	3.50	1.719	0.539	0.383

However, Daon's main yardstick is assets growth on a market value basis. To that end, it has an independent, annual and publicly disclosed revaluation of its properties. This gives the company a way to measure the competence of its managers, and the stock markets a yearly check on asset management philosophies which are uninhibited, to say the least.

The company concentrates on three main areas: development of commercial and industrial income—producing real estate for retention or sale; conversion of existing residential developments for re-sale; and preparation of "raw" land for commercial or residential development. But according to Mr. George Reifel, Daon's vice-president for corporate finance, the company is prepared "to step in and out of markets at any time."

Stepping out leads to a large "discretionary" element in profits. According to Mr. Reifel, "all reported net income in a given year is the proportion of the increase in underlying asset value that we choose to book." However, he added: "The company does not sell income properties to create earnings."

Daon Development, which is listing its shares in London this week, is also raising finance in the eurodollar markets. Profits this year are expected to match last year's C$ 51.3m (US$ 60.5m) or C$ 1.32 a share

The theory is that if Daon sees a potential high performer, it sells existing properties which may have run out of steam. It is not always profitable. "Our toe-stubbing was in Dallas," said Mr. Campbell. "We learned, fortunately very early to hire local people for each market. Our operation in Dallas was headed by a Texan who, unfortunately, had not lived there for 10 years."

Like the rest of the industry Daon needs high liquidity. Total liabilities divided by shareholders' equity were 9.5:1 on an historic cost basis last October 31, and 4.4:1 on a market value basis. However, the company was holding cash and marketable securities of C$200m which, backed by corporate lines of credit committed at the end of October, "represents cheque-writing capacities of about C$300m if the right opportunities appear," said Mr. Campbell.

One major imbalance, he added, were development opportunities created in relation to the capacity of the company to complete and retain these properties. In recent years Daon had been selling 25 to 35 per cent of the income properties that it had developed, and with interest rates as they are the percentage "might very well increase."

AMERICAN QUARTERLIES

AKZONA

	1981 $	1980 $
First quarter		
Revenue	308.8m	293.2m
Net profits	2.7m	5.31m
Net per share	0.22	0.43

BANDAG

	1981 $	1980 $
First quarter		
Revenue	79.8m	78.3m
Net profits	6.13m	5.72m
Net per share	0.51	0.47

CELANESE CANADA

	1981 C$	1980 C$
First quarter		
Revenue	104.9m	99.2m
Net profits	6.18m	5.72m
Net per share	0.44	0.37

CONSOLIDATED PAPERS

	1981 $	1980 $
First quarter		
Revenue	137.4m	127.8m
Net profits	15.52m	13.26m
Net per share	1.44	1.24

DIAMOND SHAMROCK

	1981 $	1980 $
First quarter		
Revenue	864.9m	[illegible]
Net profits	[illegible]	[illegible]
Net per share	0.85	[illegible]

FLAGSHIP BANKS

	1981 $	1980 $
First quarter		
Net profits	[illegible]	5.7m
Net per share	0.89	0.82

FLORIDA POWER

	1981 $	1980 $
First quarter		
Revenue	323.0m	203.4m
Net profits	25.03m	6.39m
Net per share	0.62	0.06

HERCULES INC.

	1981 $	1980 $
First quarter		
Revenue	667.0m	646.0m
Net profits	35.5m	33.7m
Net per share	0.80	0.75

INTNL. MINERALS AND CHEMICAL

	1980-81 $	1979-80 $
Third quarter		
Revenue	563.2m	459.5m
Net profits	47.0m	41.0m
Net per share	1.71	1.51
Nine months		
Revenue	1.54bn	1.29bn
Net profits	137.6m	114.3m
Net per share	5.04	4.20

INTERNATIONAL MULTIFOODS

	1980-81 $	1979-80 $
Fourth quarter		
Net profits	9.18m	8.26m
Net per share	1.13	1.02
Year		
Net profits	27.57m	25.59m
Net per share	3.39	3.16

LIBBEY-OWENS-FORD

	1981 $	1980 $
First quarter		
Revenue	311.8m	305.9m
Net profits	6.53m	6.09m
Net per share	0.48	0.44

MARRIOTT CORPORATION

	1981 $	1980 $
First quarter		
Revenue	412.5m	350.4m
Net profits	14.37m	12.65m
Net per share	0.54	0.40

NORTH AMERICAN PHILIPS

	1981 $	1980 $
First quarter		
Revenue	706.9m	592.4m
Net profits	14.5m	15.9m
Net per share	1.10	1.22

PACIFIC LIGHTING

	1981 $	1980 $
First quarter		
Revenue	807.8m	734.6m
Net profits	39.15m	21.22m
Net per share	1.53	0.86

POTLATCH CORPORATION

	1981 $	1980 $
First quarter		
Revenue	216.5m	200.0m
Net profits	7.9m	11.3m
Net per share	0.44	0.75

REPUBLIC NEW YORK CORP.

	1981 $	1980 $
First quarter		
Net profits	17.81m	19.13m
Net per share	1.48	1.83

SHEARSON LOEB RHOADES

	1980-81 $	1979-80 $
Third quarter		
Revenue	223.4m	209.0m
Net profits	27.38m	19.35m
Net per share	1.75	1.55
Nine months		
Net profits	78.22m	40.3m
Net per share	5.32	3.52

TRUCK DEAL BY PEUGEOT AND RENAULT

French marriage of convenience

BY JOHN GRIFFITHS

THE bringing together of Peugeot's and Renault's truck interests in Europe, announced yesterday, is the latest is a series of marriages of convenience in an industry under fierce pressure from recession, overcapacity, and dwindling export prospects as its traditional Third World markets build up their own motor industries.

The perceived advantages for both sides are those which have already brought other groupings into operation—the opportunity to achieve maximum economies of scale in production, the sharing of costs on expensive product development, and pooling of marketing operations to cover more profitably areas where individual partners are weak.

The last is one of the most significant factors in the Renault-Peugeot link. Renault's presence in the UK market for "trucks proper" — those over 3½ tonnes — is marginal. Last year it sold only about 350 trucks. As a result of the combining of its operation with Peugeot—in the case of the UK a new company has been formed, Karrier Motor Company, owned equally between the two partners — Renault gets access to Peugeot's Dodge trucks network of 76 dealers and can ride on the strength of the Dodge name in the UK. Last year Dodge UK built 8,000 trucks and captured 11 per cent of the UK market.

The same applies in Spain, which ranks as fourth largest in Europe as a vehicle maker and as a market and is the one which possesses the most potential for growth. But the Spanish market itself has been heavily protected. Renault's link with the Talbot/Dodge truck-making operation there—last year more than 3,000 of its trucks accounted for 51 per cent of the strategic 12-tonnes-plus sector —should give it, in the longer term, valued additional entree.

In contrast, Dodge is weak in most of the other main European markets such as France and Germany. The financial constraints of the last years of its ownership by Chrysler and the speed with which Peugeot's acquisition of Talbot ran into financial difficulties has precluded the development of a strong European dealer network.

Renault, however, accounts for more than 40 per cent of the French market and is well represented in the other north European countries.

> The recession, over-capacity and dwindling exports to Third World markets are some of the pressures forcing truck makers to end traditional rivalries and some together to share costs of expensive product development

Together, the operations account for about 12 per cent of all European truck sales. They will begin almost immediately to sell both truck ranges in all dealerships. In the longer term, work will start on the manufacture of a rationalised range of products covering the entire market.

Peugeot insisted yesterday that there is no intention to downgrade Dodge manufacturing facilities in either the UK or Spain. Dunstable will remain the headquarters of the new Karrier company and Peugeot said yesterday it was expected that the joint operation would lead to expansion, rather than any contraction, of the 2,300-strong UK manufacturing force.

While the structure of the UK company has been disclosed, it is not yet clear how the European management will be structured. It is expected, however, that a separate European operating company may also be set up in the near future.

Renault is the biggest partner in the grouping, with sales of FFr 11bn ($2.15bn), last year, more than double that of the Dodge operations.

Both RVI and Peugeot have faced a difficult year financially. RVI managed to break even but Peugeot is expected to announce losses of at least FFr 2bn. A loss for the UK Talbot operation—of which Dodge is a direct subsidiary—of about £40m ($87m) is expected. But the removal of some at least of the Dodge burden is expected to help the company towards break-even in 1982.

Profits fall at Oerlikon Buehrle

BY BRIJ KHINDARIA IN GENEVA

OERLIKON BUEHRLE, the Swiss arms and machinery manufacturer, saw group consolidated profits drop from SwFr 243.9m to SwFr 195.9m ($99m) for the 1980 financial year.

The company said the fall resulted from declining sales of military products and high spending on development programmes. The group, which has plants or affiliates in Switzerland, the U.S. and West Germany, makes anti-aircraft weapons and electronic guidance systems as well as a broad range of machine tools, electrical equipment, building machinery, civil engineering products, textile machinery, and shoes. Exports and sales abroad far outweigh sales within Switzerland.

The group's consolidated sales rose by 5.9 per cent, reaching SwFr 4.13bn in 1980. The parent company plans to pay an unchanged dividend of 15 per cent from a SwFr64.9m surplus available for distribution. The parent company's net profit fell only slightly last year to SwFr 60.3m from SwFr 61.9m.

The consolidated turnover figures for the first time included sales of the Motch Merryweather Machinery Company of Cleveland, Ohio.

The group wants to increase its equity base and plans to issue to shareholders participation certificates (equivalent to preference shares) and to issue bearer shares to secure conversion rights under a convertible loan to be raised in the future.

The company said prospects for 1981 were satisfactory although military sales should remain weak. The composition of military sales and the main markets are held secret under Swiss law. But the U.S. and Western Europe remain the largest worldwide buyers of other Oerlikon Buehrle products. Developing countries are insignificant customers so far, because most of the company's products are considered to be too technologically advanced.

CEAT lifts sales and cuts deficit

By James Buxton in Rome

CEAT, Italy's biggest tyre manufacturer after Pirelli, announces a slight reduction in parent company losses, from L4.5bn in 1979 to L3.6bn ($3.3m) last year. The company has sustained losses since 1977.

The Turin-based concern reports a 20 per cent increase in parent company sales to L289.5bn. It said there had been a rise in financial charges from L27.1bn to L36.3bn as a result of higher interest rates. Net indebtedness to the banking system was also increased. In 1979 the company had total indebtedness of L245.7bn.

During 1980 the company sought the consolidation of its short-term debts by its bank creditors, and says that the operation is nearly complete. Last year it took on new medium-term loans totalling L29bn. The company also sold surplus property. Two textile subsidiaries experienced difficulties and one was put into liquidation.

About 95 per cent of CEAT is owned by Societa Finanziaria Industriale Torino (SOFIT), which is in turn controlled by the Tedeschi family.

CUB places shares to fund takeover

By Our Sydney Correspondent

AUSTRALIA'S largest brewing company, Carlton and United Breweries, has raised A$22.8m (U.S.$26m) through the placement of 7.89m shares in a move designed to finance a recent major acquisition and further protect itself from takeover.

The number of shares placed represents three quarters of the number offered to two Melbourne brokers, Potter Partners and E. L. and C. Baillieu, for one day.

The company had offered the brokers 12m shares, representing slightly under 10 per cent of the capital, the level at which approval from shareholders must be sought.

The shares were placed at A$2.90—in line with its closing price on national sharemarkets —and represent 6.7 per cent of the company's issued capital.

Most of the shares were acquired by Colonial Mutual Life, which bought 6m CUB shares, taking its stake to 7m shares, or about 5 per cent of the increased capital.

The money raised will fund CUB's recent $62.5m purchase of a 19.9 per cent stake in Elder Smith Goldsborough Mort,

Dyno Industrier improves earnings and turnover

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

DYNO INDUSTRIER, the Norwegian chemicals, explosives and packaging group, shows a 4.5 per cent advance in pre-tax earnings to NKr 54.1m ($9.9m) in its report to shareholders for 1980. Group net profit was NKr 25.6m and the board proposes to raise the shareholders' dividend by NKr 1 to NKr 12 a share for a total payment of NKr 18.3m.

Group sales grew last year by 11 per cent to NKr 1.8bn ($330m), of which 34 per cent were realised abroad. The accounts include Dyno's 40 per cent share in Methanor, which produces methanol in the Netherlands. Expansion is planned at Methanor.

The growth in earnings last year derives entirely from a NKr 10.3m improvement in group's net financial costs. Operating income was held back by Norwegian price regulations, which made it impossible to cover cost increases.

A breakdown of the operating profit shows a small advance to NKr 46m in income from chemical operations, which had a NKr 509m turnover. There was a NKr 3.6m decline to NKr 40.7m in the explosives division on sales of NKr 337m. Plastics continued to give a low return. NKr 9.5m on a NKr 454m turnover.

In August, the Dyno board rejected a takeover bid from Saga Petroleum of Norway. The board believes 1981 will be a difficult year, but expects to keep earnings in line with those reached last year.

● Aardal og Sunndal Verk, the Norwegian aluminium producer, last year recorded earnings of NKr 336m ($61m) before taxes and extraordinary items against NKr 246m in 1979. Group turnover totalled NKr 3.6bn against NKr 3.1bn.

Earnings on primary goods were NKr 360m against NKr 274m. Semi-finished and finished good showed a loss of NKr 24m compared with a NKr 28m deficit in 1979.

The annual report says that the prospects for 1981 are "uncertain."

Rinascente improves by 25%

By Our Rome Staff

RINASCENTE, ITALY'S leading stores group, made profits of L15bn ($13.9m) last year, a 25 per cent improvement on 1979. Sales were up from L909bn in 1979 to L1,111bn in 1980, but allowing for inflation this represented a real increase of only 3 per cent. The group returned to profitability in 1979 after a run of losses since 1974.

At the end of last year Instituto Finanziario Industriale (IFI), which is the holding company of the Agnelli family, sold its stake in the group, as did Mediobanca, the merchant bank. The two stakes totalled 26 per cent of the equity. Control passed to Sig. Giuseppe Cabassi and Sig. Guido Terruzzi, both Milan bankers.

Rinascente said that sales had fallen slightly in the first three months of this year in view of the recession. The company wants to invest more money, particularly in changing the layout of some of its stores, and a capital increase may be launched in the near future to raise Rinascente's capital base.

Dutch trader details losses

By Charles Batchelor in Amsterdam

INTERNATIO-MULLER (IM), the Dutch trading, transport and industrial group, has announced further details of the losses which prompted the resignation last month of Mr. Frans Schenk, the chairman.

At the operating level IM moved to a loss of Fl 7.7m ($3.2m) in 1980 compared with a profit of Fl 3.6m the year before. It made a Fl 50m provision to meet the cost of reorganisation to give an extraordinary loss of Fl 50.3m compared with an extraordinary profit of Fl 2.6m in 1979.

Lafarge sells joint offshoot

BY OUR FINANCIAL STAFF

LAFARGE-COPPEE, the French cement and construction materials group, and Union Camp Corporation, a leading U.S. producer of paper and paperboard which has also diversified into building materials, have decided to sell their joint French subsidiary, Philibert-Delastre.

The subsidiary has been bought by Societe Rhin-Rhône, in which the Elf-Aquitaine oil group, has a 41 per cent stake. The financial terms of the deal were not disclosed.

Lafarge said that the two group also intend to sell Philibert-Delastre's subsidiary, Noly. Philibert-Delastre, which specialises in construction materials, moved into the black in 1979 after going through a difficult period.

● Thomson-Brandt, the French electrical group, is linking up with Fernand Nathan, the educational publishing group, in an attempt to tackle the home computer market, writes Terry Dodsworth in Paris.

The deal follows Thomson's announcement a few months ago that it was aiming to launch a range of mini computers in the second half of next year. It has now reached agreement with Fernand Nathan for it to write the software for a series of programmes suitable for family use.

Swedish companies cautiously optimistic

BY OUR STOCKHOLM STAFF

THE RECESSION at home and on their major foreign markets has led to some cautious forecasting about 1981 results in reports to shareholders from three of Sweden's leading companies. But Saab-Scania, Swedish Match and KemaNobel are all budgeting for improved or unchanged earnings.

Saab-Scania calculates that it can repeat last year's SKr 970m ($210m) pre-tax profit "provided no unforeseen events occur." The 1980 report underlines the concentration of the group into three transport sectors—trucks, cars and aircraft—after the sale to L. M. Ericsson of its half share in the computer company, Data-Saab.

This consolidation is linked with the continuing internationalisation of the group. Foreign sales have climbed from 36 per cent of turnover in 1970 to 55 per cent last year and Saab-Scania is now co-operating closely with Lancia, the Fiat subsidiary, to develop a new car for the late 1980s, and with Fairchild Industries of the U.S. on the production of a 34-seat commuter aircraft.

In the highly profitable Scania truck division, too, the board foresees bigger investments in assembly and manufacturing plants abroad. Group spending on new plant and equipment last year exceeded SKr 1bn and was achieved predominantly with capital generated within the business.

As previously reported, Saab-Scania is increasing its share capital from SKr 786m to SKr 1.01bn through one-for-seven rights and scrip issues.

Prospects for Swedish Match this year depend on the speed with which the management can release the SKr 800m in capital which it sees as being tied up in "non-priority" operations, mostly in cardboard, fibreboard and other building materials.

Mr. Gunnar Dahlsten, the manager director, describes last year's 9.3 per cent return on capital employed as unsatisfactory. He expects a continued improvement in operating income, but net financial items are expected to worsen, with the favourable exchange gains of 1980 unlikely to be repeated.

Mr. Ove Sundberg, managing director of Kemanobel, foresees an earnings recovery this year after the setback the chemicals group experienced in 1980, when its pre-tax earnings slumped from SKr 213m to SKr 164m.

The profit decline arose largely from the PVC and silicon operations, for which both demand and prices dropped. Kemanobel estimates that profitability can be improved this year, even though the markets for these products continue to be depressed.

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Unfavourable weather hits clothing sales at Jusco

BY YOKO SHIBATA IN TOKYO

JUSCO, Japan's fourth largest operator of a supermarket chain, suffered a slowdown in consolidated earnings for the fiscal year to February 20, because of sluggish sales of clothing, against the background of the cold summer and a heavy snowfall over the year-end sales season. Net profits were down 1 per cent to Y7.82bn ($36.2m).

Jusco's consolidated sales improved by 10.6 per cent to Y601.11bn ($2.8bn), helped by sales of food (up 15.8 per cent) and household goods (up 12 per cent) covering the slack clothing sales. Poor performances were recorded by Jusco's seaside subsidiaries. Consolidated profits per share declined to Y54.54, from Y61.01.

For the current year, ending February 20, 1982, the company is continuing vigorously to open new stores and merging with local chain stores to expand national networks. Twenty new stores are planned for the year at a capital outlay of Y35bn. Of the total outlays Y14.5bn is covered by such things as internal reserves. The method of financing the rest of the spending has yet to be decided.

Consolidated net profits for the current year are expected to reach Y9bn, up 15 per cent over 1980-81, on consolidated sales of Y670bn, up 11.6 per cent over the previous year.

Jusco's operating profits at parent company level rose by 16 per cent to Y14.64bn. Net profits on the same basis advanced by 8.1 per cent to Y8.03bn, on sales of Y553.7bn, up 10.2 per cent over the previous year. Profits a share were Y55.95, compared with Y57.31.

Better earnings on the unconsolidated basis were attributed to rationalisation of expenses and a review of merchandising control. The gross profit ratio impsoved by 0.69 per cent, offsetting cost increases.

For the current year, Jusco's parent level operating profits are estimated to be Y16.5bn, up 12.7 per cent, and net profits Y8.7bn, up 8 per cent, on sales of Y610bn, to show a gain of 10 per cent.

Foreign acquisitions boost Nokia

BY LANCE KEYWORTH IN HELSINKI

STRONG GAINS in profits and sales are reported by Oy Nokia AB, Finland's largest privately owned conglomerate. Consolidated net profit rose by 25 per cent to FM 40m ($9.6m) from FM 32m last year, and at the parent company level net earnings rose by 16 per cent to FM 31m from FM 26m.

Consolidated turnover showed an even more striking growth, to FM 4.65bn ($1.2bn) an advance of 43.5 per cent. The increase was caused partly by the acquisition of new foreign subsidiaries during the financial year. These included British Tissues of the UK. Turnover in international activities, including exports and sales of overseas subsidiaries was FM 2.4bn, some 52 per cent of total sales.

However, Mr. Kari Kairamo, president and chief executive officer, points out that "the net results in relation to net sales remained at the same level as in 1979."

All five industrial divisions of the parent company—metal, forest products, rubber, plastics and electronics—reported real growth in sales after allowing for inflation. A 10 per cent dividend is being maintained.

Metal industries sales, the most important industrial sector of the group, came to FM 2.4bn, while for the second biggest sector, forest industries, the total was FM 1.4bn. The operating margin in relation to net sales was best in the plastics and rubber divisions. The profitability of the electronic division weakened, mainly because of increased allocations to research and development.

"Despite the economic recession the prospects for the group in 1981 are, generally speaking good," says Mr. Kairamo. Growth of turnover is expected to continue in the metal, forest, and rubber sectors.

Growth in Middle East finance lifts BAII

By David White in Paris

A GROWING role in financing trade with the Middle East, and in placing Arab property investment, contributed to a 26 per cent increase in profit last year at Banque Arabe et Internationale d'Investissement (BAII), the Paris-based consortium concern controlled by Arab institutions and Western banks.

The bank, which raised net earnings to FFr 20.4m ($4m) from FFr 16.2m, has since made a $2.7m pre-tax profit on the sale of a 6.3 per cent shareholding in Dean Witter Reynolds of the U.S.

Consolidated net profit of the group controlled by the Luxembourg-based holding company, Compagnie Arabe et Internationale d'Investissement (CAII), climbed by 28 per cent to $12m from $9.3m.

Group assets increased by 13 per cent during the year from $2.4bn to $2.7bn. Assets of the Paris bank rose to FFr 10.7bn ($2.1bn) from FFr 9.1bn.

In commercial banking, BAII said it has succeeded in widening its customer base for commodity finance, while controlling growth and diversifying product lines. Further progress was expected this year.

Growth sectors on the investment banking side included development of a real estate portfolio in Europe and the U.S. on behalf of Middle East customers, metal broking, portfolio management, private placements and corporate finance.

BORROWER PROFILE — NIGERIA

Willing lenders on high fees

BY MARK WEBSTER, RECENTLY IN LAGOS

NIGERIA'S oil-fired economic boom has brought the country back into the Euromarkets as one of the biggest Third World borrowers. The oil-rich West African state had considerably reduced its foreign borrowing after a severe economic recession in 1978-79 and the debacle over its attempts to raise two jumbo Eurocurrency loans, of $1bn each, in 1978.

Since then, oil production around the high level of 2m barrels a day and buoyant world prices for Nigeria's light crude have contributed to a rapid recovery in the economy. Foreign exchange earnings for 1981 (the financial year has been changed to coincide with the calendar year) are estimated at $27bn—with 90 per cent coming from oil—and the overall balance of payments, which swung into surplus in 1979-80 after three deficit years and should top 1.2bn naira ($2.1bn) during 1981.

A sure sign of Nigeria's recovery has been the soaring import bill, which is running at more than 1bn naira a month. The Government has tried with two mildly reflationary budgets, in April 1980 and January this year, to prevent a runaway expansion in the economy of the sort which followed the 1973-74 oil price rises. It has had a measure of success in its efforts, keeping inflation down to single figures according to official estimates (12 per cent unofficially). Despite the high import bill, foreign exchange reserves are near a record 6bn naira—nearly six months of cover.

But although Nigeria's income is great, its needs are even greater. The civilian government of President Shehu Shagari announced an 82bn naira ($140bn) five year development plan for 1981/85 which involves borrowing some 16.9bn naira from domestic and foreign sources. Although economists regard the plan as ambitious in its spending targets they also think that the total for borrowing is too small.

How much Nigeria wants to borrow over the coming five years has not been made clear, but Finance Ministry officials believe they could raise $2bn a year from the Euromarket alone without creating debt servicing problems. Total foreign debt at the end of 1980 was estimated at only $5.1bn

Exactly how much Nigeria wants to borrow over the coming five years has not been made clear by the Lagos government. But Finance Ministry officials believe they could raise $2bn a year from the Euromarkets alone without creating future debt servicing problems. Total foreign debt was estimated at only $5.1bn at the end of 1980.

The military governments which ran Nigeria for 13 years did not encourage foreign borrowing and the country borrowed little from 1974 onwards. Then, in 1978 the administration tried to raise two $1bn Euroloans which ran into immense problems, largely because of Nigeria's lack of experience in the markets. The second jumbo was reduced to $750m and Nigeria felt considerably chastened by its experience.

Bankers still criticise the present administration for poor handling of its foreign borrowing. Even though Nigeria's borrowing is all directly project-related now, there was a bunching of loans last year which created problems for the banks, and there is still a lack of planning in deciding terms for the loans, bankers say.

Even so, Nigeria's profile as an oil giant has allowed it to raise money over the past two years. In 1979 and 1980, Nigeria borrowed nearly $1.4bn a year through the markets and the total is bound to be much higher this year. There have been three syndicated loans totalling $1.3bn for the Ajaokuta steel project alone.

But Nigeria is also having to pay dearly for its money. Spreads have evened out at ⅝ per cent over the London inter-bank offered rate (Libor). Nigeria hopes it can reduce the margin to ⅜ per cent for future loans. But, in addition, the country is paying high fees for its borrowing, of 2 per cent to 3 per cent.

For although Nigeria may have an attractive economic profile, bankers are familiar with its warts. Above all, bankers say, the Government is paying for the country's poor reputation on repayment of short-term debt—both public and private. "The Nigerian Government tries to isolate itself from the short end of the market," says one London banker. "But its poor reputation is costing it millions a year in high fees."

There is also disquiet about the lack of planning for repayment of loans. In three or four years there will be a repayments hump because many of the loans fall due. As long as Nigeria carries on borrowing to cover the repayments hump there will be no crisis. Debt servicing is expected to rise rapidly—from under 1 per cent of export earnings, which it has been for years, to around 5 per cent this year as the Government starts repaying the first jumbo loan to around 12 per cent in the mid-80s.

There is also some anxiety about the future stability of the country. President Shehu Shagari has been praised for his efforts in keeping the country's democratic boat on course. But fears persist about the divisive ethnic tendencies within the federation. "No one would ever say with absolute certainty that Nigeria's future is secure," says one banker. "But for the moment, it is a good risk to take."

Sharp advance in profits at Israel Petrochemical

BY L. DANIEL IN TEL AVIV

ISRAEL Petrochemical Enterprises of Haifa, one of the three large complexes in the country active in the manufacture of petrochemicals, reports a big increase in profits in 1980, helped by a 50 per cent increase in low-density polyethylene production from its new plant. This enabled it to step up exports from $4m in 1979 to $19m in 1980.

But this was still below the annual capacity of 96,000 tonnes of the new plant, production of which was held down by a fire in late 1979 and an interruption of supplies of ethylene from the Haifa refineries in mid-1980.

Net after-tax profit increased from Sh 15.8m to Sh 61.5m ($6.9m), for a rise in real terms of 69 per cent.

The company has revalued its fixed assets and as a result, a revaluation fund of some $200m has been established out of which the company has made a 300 per cent scrip issue. This brought the total scrip distribution for the year to 560 per cent, while the cash dividend was 18.25 per cent. In 1979 there was a 10 per cent scrip issue and a 20 per cent cash dividend.

In addition to low-density polyethylene, the company produces polystyrene, carbon black, and a mixture of rubber with carbon black.

Fall at United Plantations caused by poor prices

BY WONG SULONG IN KUALA LUMPUR

UNITED PLANTATIONS, the Danish-controlled oil palm group, has reported a 6 per cent fall in operating profits, as a result of poor commodity prices for the year ended December, to 36.5m ringgit (US$15.8m) from 38.8m ringgit the previous year.

Earnings would have declined even further had it not been for the substantially higher output of oil palm and cocoa.

The share of profits from associated companies was also down, at 3.9m ringgit, but with a lower tax charge and an extraordinary gain of 2.6m ringgit, the attributable net profit came to 30.3m ringgit, or 2.8 per cent more than the previous year's.

The group is paying a final dividend of 25 per cent, making 30 per cent for the year compared with 27.5 per cent.

United Plantations has 40,000 acres of oil palm and cocoa and coconut estates in Perak State.

* * *

DESPITE strong competition, Dunlop Malaysian Industries has achieved another record year of sales and earnings and is paying a higher dividend. Pre-tax profit for the year ended December 1980 rose by 26 per cent to 48m ringgit (US$20.7m) on a turnover which increased by 25 per cent to 237m ringgit

After-tax earnings were up by 25 per cent to 237m ringgit.

It is paying a final dividend of 32.5 per cent plus a special dividend of 5 per cent, making 50 per cent for the year, compared with 40 per cent previously.

Dollar easier

Dollar eased slightly in fairly quiet trading. There were no new factors to influence the market, although Eurodollar interest rates were slightly easier, and the U.S. currency may have suffered from some profit taking after Monday's sharp rise. This followed the large growth in the latest U.S. money supply figures leading to expectations of a continued firm trend in interest rates.

Sterling was firmer in general, and recovered part of Monday's loss against the dollar.

European currencies improved slightly against the dollar, but the Belgian franc remained very weak within the European Monetary System.

DOLLAR — trade-weighted index (Bank of England) fell to 102.1 from 102.5. The U.S. currency touched a peak of DM 2.1720 against the D-mark, before closing at DM 2.1630, compared with DM 2.1690. In terms of the Swiss franc the dollar rose to a high point of SwFr 1.98, and closed at SwFr 1.9710, against SwFr 1.9795.

STERLING — trade-weighted index (Bank of England) rose to 99.3 from 98.9, after opening at 98.9 and rising to 99.2 at noon. The pound opened at $2.1680-2.1690 against the dollar, and fell to $2.1675-2.1685 in the morning. Sterling rose to a peak of $2.1790-2.1800, and closed at $2.1770-2.1780, a rise of 1.30 cents on the day.

D-MARK—One of the strongest members of the European Monetary System, helped by the sharp rise in West German interest rates. On the other hand very firm U.S. rates, given a further upward twist by recent money supply figures, have depressed the D-mark against the dollar despite the easing of tension over Poland.—The D-mark improved against the dollar at the Frankfurt fixing, with the U.S. currency falling to DM 2.1650 from DM 2.1751. The Bundesbank did not intervene at the fixing, and was probably not active on the open market. The dollar opened at DM 2.1615, and touched a peak of DM 2.1670 in fairly quiet trading.

DUTCH GUILDER—Remaining firm within the EMS, but in common with other European currencies weaker against the dollar. Economic problems caused by oil price increases and world recession have led to a balance of payments deficit, but the Netherland's position seems less severe than several other EMS members.—The guilder gained ground against the dollar and Japanese yen at the Amsterdam fixing, but improved against most of its EMS partners, despite showing a slight weakness in terms of the D-mark. The dollar was fixed at Fl 2.4000, compared with Fl 2.4095, and sterling at Fl 5.2170 compared with Fl 5.2010.

BELGIAN FRANC—Weakest member of the EMS following the devaluation of the lira, and remaining under pressure despite the recent rise in the Belgian National Bank discount rate.—The Belgian franc lost ground to most major currencies at the Brussels fixing, but improved slightly against the dollar. The U.S. unit fell to BFr 35.51 from BFr 36.225, and the Danish krone to BFr 5.2060 from BFr 5.2160. On the other hand sterling rose to BFr 77.20 from BFr 76.9050 and the Swiss franc to BFr 17.9730 from BFr 17.9350. Within the EMS the D-mark rose to BFr 16.39525 from BFr 16.3825, the French franc to BFr 6.9475 from BFr 6.94375, and the Dutch guilder to BFr 14.7980 from BFr 14.7940.

THE POUND SPOT AND FORWARD

April 14	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.1675-2.1800	2.1770-2.1780	0.72-0.82c dis	−4.24	2.22-2.32dis	−4.17
Canada	2.5820-2.5960	2.5915-2.5925	1.20-1.30c dis	−5.79	3.40-3.60dis	−5.40
Nethlnd.	5.18-5.24	5.22-5.23	1¼-¼c pm	1.72	2½-1½ pm	1.53
Belgium	76.80-77.40	77.10-77.20	55-65c dis	−9.33	135-150 dis	−7.38
Denmark	14.74-14.86	14.81-14.82	1⅞-3⅞ore dis	−2.28	10-12 dis	−2.97
Ireland	1.2820-1.2945	1.2875-1.2850	0.32-0.45p dis	−3.59	0.93-1.08dis	−3.12
W. Ger.	4.68½-4.72½	4.70¾-4.71¾	par-1⅛pf dis	−1.00	¼-⅝ dis	−0.42
Portugal	125.50-126.50	126.25-126.45	5pm-70c dis	−3.09	25-135 dis	−3.48
Spain	190.25-191.50	191.00-191.20	60-95c dis	−4.87	235-290 dis	−5.49
Italy	2,335-2,347	2,345½-2,346½	13-15 lire dis	−7.16	33½-42½ dis	−6.95
Norway	11.88-11.95	11.88½-11.89½	⅝ore pm-1⅛ dis	−0.25	1⅛-⅞ pm	0.29
France	11.06½-11.13½	11.11¼-11.12¼	⅜-1⅜c dis	−0.94	2⅞-3⅞ dis	−1.17
Sweden	10.17½-10.23½	10.21¼-10.22¼	2¾-3¾ore dis	−3.82	9¾-10¾ dis	−3.96
Japan	466-473	468-469	2.40-1.85y pm	5.44	5.75-5.15 pm	4.65
Austria	33.20-33.40	33.33-33.38	4gro pm-2 dis	0.72	7 pm-3 dis	0.24
Switz.	4.27-4.31	4.29-4.30	1⅛-⅞c pm	3.14	3½-3 pm	3.03

Belgian rate is for convertible francs. Financial franc 80.25-80.35. Six-month forward dollar 4.35-4.45c dis. 12-month 6.75-6.90.

THE DOLLAR SPOT AND FORWARD

April 14	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.1675-2.1800	2.1770-2.1780	0.72-0.82c dis	−4.24	2.22-2.32dis	−4.17
Ireland†	1.6830-1.6900	1.6850-1.6870	0.05-0.15c dis	−0.71	0.45-0.55dis	−1.18
Canada	1.1900-1.1918	1.1900-1.1905	0.18-0.23c dis	−2.06	0.32-0.37dis	−1.16
Nethlnd.	2.3965-2.4000	2.3970-2.4000	1.32-1.22c pm	6.36	3.65-3.55 pm	6.01
Belgium	35.42-35.22	35.43-35.45	10-16c dis	−4.39	15-23 dis	−2.14
Denmark	6.8115-6.8260	6.8245-6.8260	1.50-1.00ore pm	2.20	2.50-2.00 pm	1.32
W. Ger.	2.1600-2.1720	2.1625-2.1635	0.81-0.75pf pm	4.33	2.18-2.12 pm	4.03
Portugal	57.95-58.15	58.05-58.15	20c pm-10 dis	1.03	50 pm-25 dis	0.86
Spain	87.75-87.91	87.83-87.88	5-15c dis	−1.37	15-35 dis	−1.14
Italy	1,077-1,078	1,077-1,078	1¾-2¾ lire dis	−2.51	6¼-7¼ dis	−2.51
Norway	5.4685-5.4840	5.4690-5.4710	2.25-1.75ore pm	4.38	6.65-6.15 pm	4.67
France	5.1050-5.1125	5.1065-5.1085	1.70-1.55c pm	3.82	4.20-4.00 pm	3.21
Sweden	4.6925-4.6980	4.6930-4.6940	0.25-0.10ore pm	0.45	0.45-0.30 pm	0.32
Japan	215.00-216.20	215.05-215.15	1.85-1.70y pm	9.90	4.85-4.70 pm	8.87
Austria	15.31-15.33½	15.32½-15.33½	6.25-6.00gro pm	4.41	18.50-15.00pm	4.37
Switz.	1.9680-1.9800	1.9705-1.9715	1.30-1.20c pm	7.61	3.72-3.62 pm	7.45

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

April 14	Bank of England Index	Morgan Guaranty Changes%
Sterling	99.3	(u)
U.S. dollar	102.1	(u)
Canadian dollar	86.3	(u)
Austrian schilling	115.6	(u)
Belgian franc	107.4	(u)
Danish kroner	88.7	(u)
Deutsche mark	120.4	(u)
Swiss franc	134.2	(u)
Guilder	111.9	(u)
French franc	86.3	(u)
Lira	59.2	(u)
Yen	142.8	(u)

Based on trade weighted changes from Washington agreement December, 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

April 13	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	12	0.558688	0.539978
U.S. $	13	1.20576	1.16797
Canadian $	16.94	1.43690	1.39081
Austria Sch.	6¾	18.5542	17.9653
Belgium F.	16	42.9522	41.5798
Danish K.	11	8.22750	7.96961
D mark	7½	2.62265	2.53682
Guilder	9	2.90528	2.81013
French Fr.	9½	6.18675	5.98592
Lira	19	1304.63	1263.45
Yen	6¼	260.324	253.157
Norwgn. Kr.	9	6.63228	6.41914
Spanish Pts.	8	106.348	103.073
Swedish Kr.	12	5.68636	5.49765
Swiss Fr.	4	2.39705	2.31724
Greek Dr'ch.	20½	—	62.0657

OTHER CURRENCIES

April 14	£	$		£ Note Rates
Argentina Peso	6663-6683	3063-3073	Austria	33.05-33.45
Australia Dollar	1.8875-1.8915	0.8675-0.8679	Belgium	79.80-80.60
Brazil Cruzeiro	169.36-170.36	77.90-78.29	Denmark	14.72-14.87
Finland Markka	9.0216-9.0387	4.1470-4.1500	France	11.07-11.17
Greek Drachma	113.006-115.875	52.70-52.90	Germany	4.69-4.73½
Hong Kong Dollar	11.67-11.69	5.3660-5.3700	Italy	2280-2350
Iran Rial	164.80*	76.40*	Japan	467-473
Kuwait Dinar (KD)	0.595-0.601	0.2753-0.2755	Netherlands	5.18-5.23
Luxembourg Frc.	77.10-77.20	35.43-35.45	Norway	11.87-11.99
Malaysia Dollar	5.036-5.046	2.3155-2.3175	Portugal	123-136
New Zealand Dlr	2.4105-2.4155	1.1070-1.1085	Spain	184¼-195
Saudi Arab. Riyal	7.25-7.31	3.3500-3.3520	Sweden	10.18-10.28
Singapore Dollar	4.5910-4.6010	2.1110-2.1130	Switzerland	4.27¼-4.31¼
Sth African Rand	1.7625-1.7635	0.8095-0.8100	United States	2.16½-2.18¼
U.A.E. Dirham	7.95-8.01	3.6720-3.6740	Yugoslavia	78-81

Rate given for Argentina is free rate. *Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU April 14	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	40.7985	41.5993	+1.96	+1.90	±1.5361
Danish Krone	7.91917	7.99209	+0.92	+0.86	±1.6413
German D-Mark	2.54502	2.53777	−0.28	−0.34	±1.1386
French Franc	5.99526	5.98850	−0.11	−0.17	±1.3638
Dutch Guilder	2.81318	2.81160	−0.06	−0.12	±1.5159
Irish Punt	0.685145	0.694328	+1.34	+1.28	±1.6688
Italian Lira	1262.92	1263.72	+0.06	+0.06	±4.1116

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

April 14	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.178	4.713	468.5	11.12	4.295	5.225	2346.	2.592	77.15
U.S. Dollar	0.459	1.	2.164	215.2	5.108	1.973	2.400	1077.	1.190	35.43
Deutschemark	0.212	0.462	1.	99.42	2.360	0.911	1.109	497.8	0.550	16.37
Japanese Yen 1,000	2.134	4.648	10.06	1000.	23.74	9.168	11.15	5007.	5.533	164.7
French Franc 10	0.899	1.958	4.237	421.2	10.	3.862	4.698	2109.	2.330	69.36
Swiss Franc	0.233	0.507	1.097	109.1	2.590	1.	1.217	546.2	0.603	17.96
Dutch Guilder	0.191	0.417	0.902	89.67	2.129	0.822	1.	449.0	0.496	14.77
Italian Lira 1,000	0.426	0.928	2.009	199.7	4.741	1.831	2.227	1000.	1.105	32.89
Canadian Dollar	0.386	0.840	1.818	180.7	4.291	1.657	2.016	905.1	1.	29.76
Belgian Franc 100	1.296	2.822	6.108	607.3	14.42	5.567	6.775	3041.	3.360	100.

FT LONDON INTERBANK FIXING (11.00 a.m. APRIL 14)

3 months U.S. dollars		6 months U.S. dollars	
bid 16 1/2	offer 16 5/8	bid 16 7/16	offer 16 9/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

April 14	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	11½-11¾	15¼-15½	16⅞-17½	9¾-9⅞	6¾-7¼	9¾-9⅞	12-12¼	17-19	16-18	6½-6¾
7 days' notice	11¾-12	15⅝-15⅝	16½-17½	9⅞-10	6¾-7¼	9⅞-10	12⅛-12⅝	17½-19	22½-24½	6½-6¾
Month	12⅛-12¼	15⅞-16⅛	17¼-17⅝	10-10⅛	8½-8⅞	10-10⅛	12⅝-12⅞	18-19	20½-23	6⅞-7⅛
Three months	12¼-12⅜	16¼-16⅜	17⅛-17½	[illegible]	[illegible]	[illegible]	13-13¼	18¾-19¾	19¼-20¼	[illegible]
Six months	[illegible]	16¼-16½	16¾-17⅛	[illegible]	8¾-8⅞	[illegible]	13⅛-13⅜	19-20	17-19	[illegible]
One Year	11⅞-12¼	15½-15¾	16⅛-16½	[illegible]	8¼-8⅝	[illegible]	13½-13¾	19-20	16-18	7⅞-8⅛

SDR linked deposits: one-month 13-13⅜ per cent: three-months 13⅜-13¹¹⁄₁₆ per cent: six-months 13⅜-13¾ per cent: one-year 13-13⅜ per cent.

ECU linked deposits: one-month 13-13⅜ per cent: three-months 13⁷⁄₁₆-13⁹⁄₁₆ per cent: six-months 13⁵⁄₁₆-13⁹⁄₁₆ per cent: one-year 12⅞-13⅛ per cent.

Asian $ (closing rates in Singapore): one-month 16⁵⁄₁₆-16⁷⁄₁₆ per cent: three-months 16½-16⅝ per cent: six-months 16½-16⅝ per cent: one-year 16¹³⁄₁₆-18¹⁵⁄₁₆ per cent. Long-term Eurodollar two-years 15¼-15⅜ per cent: three-years 15⅛-15⅜ per cent: four-years 15⅛-15⅜ per cent: five-years 15⅛-15⅜ per cent; nominal closing rates. Short-term rates are call for U.S. dollars, Canadian dollars and Japanese yen; others two-days' notice.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 15.60-15.70 per cent; three-months 15.70-15.80 per cent; six-months 15.65-15.75 per cent; one-year 15.55-15.65 per cent.

INTERNATIONAL MONEY MARKET

Dutch rates ease

The official Dutch call money rate was cut in Amsterdam yesterday to 9¼ per cent from 9½ per cent, reflecting easier market conditions. The rate last moved on April 3, when it was increased to 9½ per cent from 7 per cent. In the money market call money was quoted around 9¼ per cent.

In Frankfurt short term funds were in short supply, with call money quoted at 11.85 per cent, close to the special Lombard rate of 12 per cent. The approach of Easter and tax deadlines were cited as factors likely to keep short term money rates firm in the next week or so. Rates have also been affected by Bundesbank activity involving currency swap agreements, designed to take out of the system any surplus liquidity. Period rates yesterday were firmer where changed, with three-month money at 13.25 per cent compared with 13.225 per cent, and 12-month money at 12.40 per cent against 12.325 per cent.

The market was also affected by an outflow of funds ahead of the long weekend. The special Lombard facility remained open at 12 per cent, although the current level of short term money has meant that little use has been made of the Lombard facility.

In Paris call money was unchanged at 12¾ per cent, while longer term rates showed little overall change.

GOLD

Firmer trend

Gold rose $14 to $484-487 in the London bullion market yesterday, helped by short covering and uncertainty about the future trend in U.S. interest rates. The metal opened at $478-481, but improved to $483.00 at the morning fixing. It maintained this level at the afternoon fixing, and during the day touched a high point of $485-488.

In Paris the 12½ kilo gold bar was fixed at FFr 85,500 per kilo ($520.26 per ounce) in the afternoon, compared with FFr 85,000 ($517.87) in the morning, and FFr 84,500 ($512.22) Monday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 33,620 per kilo ($482.99 per ounce), against DM 33,345 ($477.04) previously, and closed at $481-484 compared with $470-473.

In Zurich gold finished at $481-484, against $472-474.

	April 14		April 13	
Gold Bullion (fine ounce)				
Close	$484-487	(£222¼-223¼)	$470-473	(£217½-219)
Opening	$478-481	(£219¼-220½)	$475-478	(£220½-222)
Morning fixing	$483	(£222.222)	$475.50	(£220.343)
Afternoon fixing	$485.00	(£221.865)	$473.75	(£219.579)
Gold Coins				
Krugerrand	$501-502	(£230-230½)	$485½-486½	(£224½-225)
1/2 Krugerrand	$246-247	(£113-113½)	$250¼-251¼	(£115¾-116¼)
1/4 Krugerrand	$123-124	(£56½-57)	$127½-128½	(£59-59½)
1/10 Krugerrand	$54-55	(£24¾-25¼)	$53¾-54¾	(£24¾-25¼)
Mapleleaf	$498-500	(£228¾-229½)	$480½-481½	(£221¾-222¼)
New Sovereigns	$120-123	(£55-56½)	$118-118¾	(£54½-55)
King Sovereigns	$139-141	(£63¾-64¾)	$139-141	(£64¼-65¼)
Victoria Sovs.	$139-141	(£63¾-64¾)	$139-141	(£64¼-65¼)
French 20s	$177-180	(£81¼-82¼)	$179-182	(£83¼-83¾)
50 pesos Mexico	$596-601	(£273¾-276)	$590-594	(£272½-274½)
100 Cor. Austria	$466-471	(£214-216¼)	$463-468	(£214-216½)
$20 Eagles	$595-600	(£273¼-275½)	$592-597	(£274-276½)

UK MONEY MARKET

Adequate supply

Bank of England Minimum Lending Rate 12 per cent (from March 10, 1981)

Day to day credit was in reasonable supply in the London money market yesterday, and the authorities did not intervene. The only factor of any note was a small surplus of Government disbursements over revenue transfers to the Exchequer.

Discount houses were paying 11-11½ per cent for secured call loans at the start, but rates tightened up during the afternoon, with closing balances taken close to 12 per cent.

In the interbank market overnight loans opened at 11¼-11½ per cent and eased after lunch to 10½-11 per cent. Rates were firmer soon after however, touching 12½-13 per cent before coming back at the close to 12-12½ per cent. Liquidity levels continued to show some distortions as a result of the civil service strike.

MONEY RATES

NEW YORK

Prime Rate	17-17½
Fed. Fund	14⅞-15⅛
Treasury Bills (13-week)	13.40
Treasury Bills (26-week)	13.39

GERMANY

Special Lombard	12.0
Overnight Rate	11.85
One month	12.65
Three months	13.25
Six months	13.10

FRANCE

Intervention Rate	12.5
Overnight Rate	12.25
One month	12.875
Three months	13.25
Six months	13.0625

JAPAN

Discount Rate	6.25
Call (Unconditional)	7.28
Bill Discount (three-month)	7.23125

LONDON MONEY RATES

April 14 1981	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Discount Company Deposits	Discount Market Deposits	Treasury Bills ◆	Eligible Bank Bills ◆	Fine Trade Bills ◆
Overnight	—	10¾-13	12	—	—	11¾	10-12	—	—	—
2 days notice	—	—	12⅛	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	11⅝-12	12-12⅛	—	12¼	12⅛	11½-11⅞	—	—	—
One month	12¼-12⅛	12⅛-12¼	12⅛	13⅛-12⅞	12⅛	12⅛	11¾	11½-11⅜	11⅜	—
Two months	12¼-12⅛	12⅛-12⅛	—	13⅛-12⅞	12⅛	12⅛	11¾	11⅛	11⅜	12⅝
Three months	12¼-12⅛	12⅛-12⅛	12	12¾-12⅝	12⅛	12⅛	11⅝-11¾	11⅛-11⅛	11⅜	12½
Six months	12⅛-12	12⅛-12⅛	12⅛-12⅛	12½-12⅛	12⅛	12⅛	—	—	11⅛-11¼	12⅝
Nine months	12⅛-12	12⅛-12⅛	—	12⅝-12⅛	12⅛	12⅛	—	—	—	11⅞
One year	12⅛-11⅞	12⅛-12⅛	12⅛-12⅛	12⅜-12⅛	12⅝	12⅛	—	—	—	—
Two years	—	—	12½	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three years 12¾-12¾ per cent; four years 13 per cent; five years 13 per cent. ◆Bank bill rates in table are buying rates for prime paper. Buying rates for four-months bank bills 11⅞-11½ per cent; four-months trade bills 12⅛ per cent.

Approximate selling rate for one-month Treasury bills 11⅜-11⁷⁄₁₆ per cent; two-months 11⅜ per cent; three-months 11⁵⁄₃₂-11⁵⁄₁₆ per cent. Approximate selling rate for one-month bank bills 11²³⁄₃₂-11¾ per cent; two-months 11⅞-11²³⁄₃₂ per cent; three-months 11¹⁵⁄₃₂ per cent; one-month trade bills 12⅛ per cent; two-months 12¼ per cent and three-months 12⅛ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 13 per cent from April 1, 1981. Clearing Bank Deposit Rates for sums at seven days' notice 9 per cent. Clearing Bank Rates for lending 12 per cent. Treasury Bills: Average tender rates of discount 11.3492 per cent.

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John Edwards, Commodities Editor, reports on a system, pioneered in the U.S., that could boost world food output

The simple idea behind farming's magic circles

AIR TRAVELLERS passing over certain parts of the U.S. may have spotted a development that is transforming the farming scene. Circles of green and pleasant land spreading across previously dry, brown, barren areas are changing the face of the countryside in a startling manner. Circle farming, as it is known, was pioneered in the 1950s and is still confined mainly to Colorado, Nebraska and Texas. But its development in the years ahead could play an important part in fighting world hunger by turning previously unproductive land into high-yielding grain output units.

The latest development that could lead to a considerable extension of circle farming both in the U.S. and other countries is to offer ready-made farms to outside investors wanting to put their money into farmland, without facing one of the major risks—lack of water.

In the U.S. new areas are being turned over to grain production. At the same time, opportunities are opening up for young farmers under a modern form of share cropping. There seems little reason why the same technique should not be used in other parts of the world, where inadequate rainfall hampers food production; the limitation is that there must be sufficient water supplies available, even if they are underground.

Circle, or central pivot, farming is a simple idea. It is fundamentally an irrigation system. In areas where there is low rainfall, but reserves of water either underground or nearby, a well is drilled and pumping equipment installed. The water is pumped via central pivot through sprinklers attached on to a long steel tube "arm," which is supported by wheels that rotate slowly in a circle round the central pivot. The sprinklers are used mainly to provide sufficient water for the growing crops but they also spray liquid fertilisers as well as some insecticides and herbicides.

An important feature is that the amounts of water, and other liquids, can be carefully controlled by the strength of pumping. This means the crops growing underneath the rotating "arm" can receive just the right amount of moisture and nutrients, with the minimum of wastage and minimum of labour. It is not at all like the individual rotating spray guns, often used for irrigating purposes.

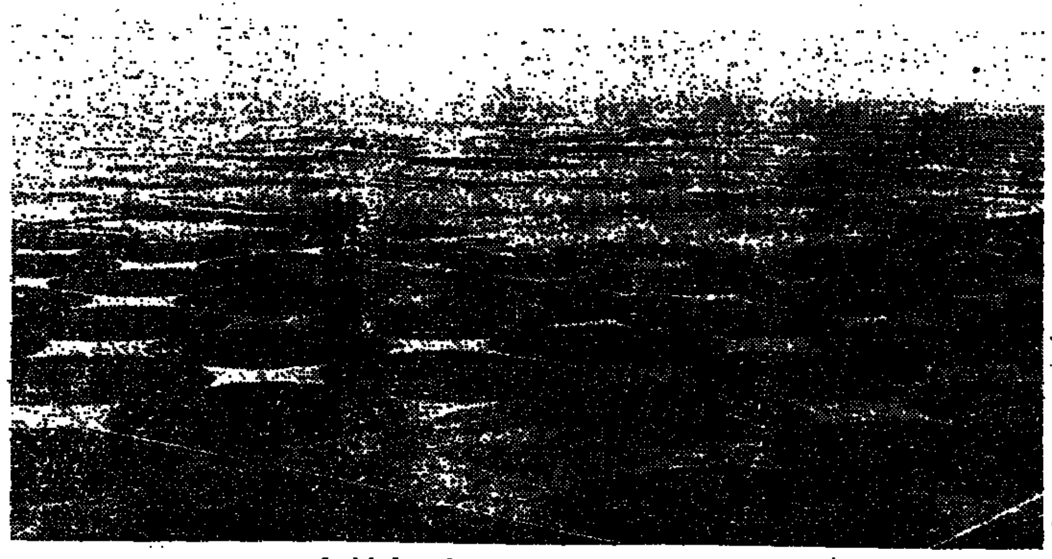
For a start, the water has to be pumped only to one central point to provide the needs for the whole circle farm. There is no need to lay pipes either on the surface or underground: these are costly, tend to deteriorate rapidly and are hard to move about. A major advantage of the circle system is that it is controlled so easily. The speed that the boom rotates is governed by the electrical impulses feeding the motor on the outside wheels that then drive the inner wheels going towards the central pivot.

In the U.S. that length of the rotating "arm" has been mainly fixed so that the circle covers a ¼ sq. mile (160 acres) leaving a small triangle of spare land at each corner, but there is no particular reason why the system cannot be adjusted to smaller or bigger circles providing that sufficient pumping power and water are available.

At present, however, the circle farms in the U.S. are basically a uniform size that fits in well with traditional square mile units in which farmland is sold.

Although one circle can be farmed as an individual unit, this new type of farm is usually made up of a number of circles, next to or near each other. Thus the owner is able to make savings on bulk purchases of equipment and machinery, as well as seeds and fertilisers. One farmer, for example, can operate three circles relatively easily by himself or with the help of his family.

However, it is the farming of circles that is the key to their profitability. The extra investment required for the provision of water and power (either electric or diesel), as well as the sprinkler machinery and maintenance, mean that above-average yields often have to be achieved to compete with the profitability of normal farms.



Aerial view of a circle farm in Nebraska

It is true that the extra cost of equipping circles is normally offset by the cheaper prices for which previously unproductive land may be bought. Nevertheless, in recent years the popularity of circles has raised the cost of potential land for this type of farming so they are not a guaranteed way of making a fortune. The circle farmer starts with all the hazards involved in pioneering previously uncultivated land and, of course, has to face the normal problems of crop diseases, bad weather other than drought, and perhaps, most important of all, unpredictable market prices for the grain produced.

In times of drought, as happened in the U.S. last year, the circle farmer can be expected to do well, with reduced supplies from other farms pushing up market prices.

But in times of surpluses, with depressed prices, the circle farmer is more vulnerable to cost pressures in view of the larger investment required.

Nevertheless, carefully managed circles, especially big units able to buy inputs on a large scale, can and do provide a reasonable return even in the lean years because of the higher yields per acre that can be achieved. It follows that in boom years they do even better, with the control over the growing crop so much more precise than the average farm relying on normal rainfall that can wash away fertilisers and sprays as well as ruining newly-planted seeds.

Western Land and Investment Corporation, based in Fort Collins, Colorado, has developed the professional farming of circles to attract outside investors, interested in farmland without having to face agricultural problems. Western Land offers a complete package deal. It sells the land and circle equipment, and is also prepared to farm for the owner under a management contract for any agreed period.

Under such a contract, Western Land, as agents for the owner, hires young farmers to farm the circle but also supplies its expertise in the choice of crops, marketing and bulk purchases of seed, fertilisers and other inputs. The farmer has to provide machinery, such as tractors and ploughs, but does not have the heavy burden of buying and financing the cost of the land. In return for his work, the farmer takes 25 per cent of the total crop and grazing profits, as well as special extras if he performs above average.

In this way good farmers in charge of several circles, spurred on by incentives, can earn sufficient profits eventually to buy their own land or circles, without having to raise the huge amounts of capital that stop so many young farmers from becoming farm owners.

From the investors' point of view all the problems of running a farm are transferred to someone else, although he retains the power to make decisions if necessary. In practice, however, Western Land takes overall responsibility in policy decisions on crop planting and marketing, while the farmer looks after day-to-day husbandry and cultivation.

At present some 50 per cent of the investors in Western Land "circles" come from overseas, mostly Europe, so it is not practical for them to pay regular visits to their farms and know local conditions.

At the start of each year Western Land provides the owner with a detailed breakdown of estimated costs for the forthcoming season and the crop operating capital has to be provided before harvest. But Western Land claims that despite the increased costs involved, including a 20 per cent management fee, the exceptionally high yields obtained and savings in bulk purchases mean that a relatively modest net return of between 3 to 8 per cent is obtained on operational costs. Of more importance, however, the continued appreciation in farm land values of between 7 to 14 per cent historically provides in real terms a good hedge against inflation, especially with the available tax concessions.

Demand for farmland can be expected to continue increasing, despite one or two inevitable setbacks, as the world struggles to feed its growing population.

Ironically, the famous comment on farmland by the U.S. writer Mark Twain, that "they ain't making it any more," is no longer strictly true. New farms are being made, but they are coming out in a different shape—circles.

APPOINTMENTS

New BHP director

Mr. J. A. L. Hooke, chairman and chief executive of Amalgamated Wireless (Australasia) has become a director of the BROKEN HILL PROPRIETARY COMPANY.

★

Mr. W. H. Bishop has resigned from the Boards of ERSKINE HOUSE INVESTMENTS and all subsidiaries. **Mr. A. S. Jolliffe, Mr. Brian Solomon** and **Mr. Douglas Meekins** have been appointed to the Boards of those companies.

★

Mr. Malcolm Hickman has been appointed a director of LILLESHALL STOCKHOLDERS and **Mr. Robert E. Dewbery** a director of Lilleshall Engineering and Shotclean and Painting. The companies are members of the Lilleshall company.

★

Mrs. Jaqueline L. Gourlay has been appointed a director of HODGSON MARTIN, an Edinburgh based investment management company.

★

The energy secretary has appointed **Mr. Roger Boissier** as a part-time member of the BRITISH GAS CORPORATION. Mr. Boissier is managing director of Aiton and Company, a subsidiary of Whessoe.

★

BRITISH AEROSPACE has appointed **Mr. Gordon Sedgwick Planner**, to the new post of general manager — trading in the Weybridge-Bristol division of the group. He has responsibility for the generation of business in counter trade and special trading agreements in the division's international business, notably with Romania in association with the BAC One-Eleven licence manufacturing programme.

★

TORONTO DOMINION BANK has appointed **Mr. Alistair G. Frame** of London, England, as a member of the Board of directors. Mr. Frame is deputy chairman and chief executive of the Rio Tinto-Zinc Corporation.

★

Mr. Ronald Rimington, and **Mr. Howard R. Fair**, have been appointed directors of HOME CHARM.

★

Mr. John Courtis, has been appointed chairman of DEEKO, following the retirement of **Mr. George H. Hunter** on April 30. Mr. Courtis was appointed a non-executive director of Deeko in 1979, following an association as consultant to the company for two years. He will remain senior partner of John Courtis and Partners, management selection consultants.

★

Mr. Richard Anstey has become sales director south-eastern operations for CRAVEN TUSKER SALES.

★

Mr. Maurice Naylor has been appointed director of the NATIONAL ASSOCIATION OF HEALTH AUTHORITIES IN ENGLAND AND WALES in succession to **Mr. W. E. Hall** who retired due to ill health last year. The appointment is for an initial period of one year.

★

HOGG ROBINSON (UK), part of Hogg Robinson Group announces that **Mr. T. P. O'Connor Fenton** has retired as branch director at Leeds to assume wider responsibilities in a development position for the company. He will be succeeded by **Mr. J. R. McIntosh** who until 1979 was in charge of Hogg Robinson's Nigerian operations before returning to the UK Birmingham office.

★

Mr. Danny O'Brien, formerly senior sales executive — shorts and documentaries with Kay Laboratories, has joined DAVID BUCK HOLDINGS as director, business development.

★

Mr. Ken Clarke has been appointed sales and marketing director for LAWSON OF DYCE. He succeeds **Mr. Roy K. Lowe**, who has become marketing director of Mattessons Foods, part of Unilever meat group.

★

ELLERMAN HARRISON CONTAINER LINE, which is jointly owned by Ellerman Lines and the Charente Steam-ship Company, have made the following Board changes: **Mr. W. M. Graham** and **Mr. G. B. Reid** of Thos. and Jas. Harrison and the Charente Steam-ship Company have resigned as directors of Ellerman Harrison Container Line. Mr. Graham has also resigned as chairman of that company. **Mr. Alastair Lloyd**, chairman of Ellerman City Liners, has become chairman of Ellerman Harrison Container Line. **Sir Thomas Pilkington**, chairman of Thos. and Jas. Harrison and the Charente Steam-ship Company and **Mr. C. D. Johnson**, a director of these two concerns have joined the Board of Ellerman Harrison Container Line.

BASE LENDING RATES

A.B.N. Bank	12 %	■ Hambros Bank	12 %
Allied Irish Bk.	12 %	Heritable & Gen. Trust	12 %
American Express Bk.	12 %	■ Hill Samuel	§12 %
Amro Bank	12 %	C. Hoare & Co.	†12 %
Henry Ansbacher	12 %	Hongkong & Shanghai	12 %
AP Bank Ltd.	12 %	Keyser Ullmann	12 %
■ Arbuthnot Latham	12 %	Knowsley & Co. Ltd.	14 %
Associates Cap. Corp.	12 %	Langris Trust Ltd.	12 %
Banco de Bilbao	12 %	Lloyds Bank	12 %
BCCI	12 %	Mallinhall Limited	12 %
Bank of Cyprus	12 %	Edward Manson & Co.	13 %
Bank of N.S.W.	12 %	Midland Bank	12 %
Banque Belge Ltd.	12 %	■ Samuel Montagu	12 %
Banque du Rhone et de la Tamise S.A.	12½ %	■ Morgan Grenfell	12 %
Barclays Bank	12 %	National Westminster	12 %
Beneficial Trust Ltd.	13 %	Norwich General Trust	12 %
Bremar Holdings Ltd.	13 %	P. S. Refson & Co.	12 %
Brit. Bank of Mid. East	12 %	Ryl. Bk. Canada (Ldn.)	12 %
■ Brown Shipley	12½ %	Slavenburg's Bank	12 %
Canada Perm't Trust	13 %	E. S. Schwab	13 %
Cayzer Ltd.	12 %	Standard Chartered	‖12 %
Cedar Holdings	12 %	Trade Dev. Bank	12 %
■ Charterhouse Japhet	12 %	Trustee Savings Bank	12 %
Choulartons	12 %	TCB Ltd.	12 %
C. E. Coates	12 %	United Bank of Kuwait	12 %
Consolidated Credits	12 %	Whiteaway Laidlaw	12½ %
Co-operative Bank	*12 %	Williams & Glyn's	12 %
Corinthian Secs.	12 %	Wintrust Secs. Ltd.	12 %
The Cyprus Popular Bk.	12 %	Yorkshire Bank	12 %
Duncan Lawrie	12 %		
Eagil Trust	12 %		
E. T. Trust Limited	12 %		
First Nat. Fin. Corp.	14½ %		
First Nat. Secs. Ltd.	14½ %		
Robert Fraser	12 %		
Antony Gibbs	12 %		
Greyhound Guaranty	12 %		
Grindlays Bank	‡12 %		
■ Guinness Mahon	12 %		

■ Members of the Accepting Houses Committee.

* 7-day deposits 9%, 1-month 9½%. Short term £4,000/12 months 11.85%.

† 7-day deposits on sums of £10,000 and under 9%, up to £50,000 9½%, and over £50,000 10½%.

‡ Call deposits £1,000 and over 9%.

§ Demand deposits 9½%.

‖ 21-day deposits over £1,000 10½%.

WORLD STOCK MARKETS

Noon Dow retreats 4½ further

STOCKS ON Wall Street remained lower in moderate trading by mid-session yesterday as investors' concern continued over the outlook for U.S. interest rates.

The Dow Jones Industrial Average lost 4.51 to 988.65 by noon and declines led advances eight to five on a volume of some 22m shares.

American Telephone put on a strong performance, however, leading the actives list and rising $1¾ to $56¾ shortly after midday, its best level since mid-September, 1979.

ATT has been authorised to improve its rate of return, after which it filed for rate increases that would boost annual revenue by $1.4bn.

Oils firmed after several days of weakness. Standard Oil (Indiana) rose $¾ to $64¼, Standard Oil (Ohio) $½ to $45¼, Superior Oil $2½ to $197 and Texaco $⅜ to $35½.

Retailers weakened after recent gains. K Mart lost $1 to $22 and Sears Roebuck $¾ to $19¾.

Allis Chalmers lost $1½ to $31 after reporting a sharp drop in first quarter profits. B. F. Goodrich slipped $⅜ to $25½ as Gulf and Western raised its Goodrich stake to 7.1 per cent.

Indications of a possible reversal in the Dow's decline emerged in the early afternoon. THE AMERICAN SE Market Value Index was off 3.58 at 359.42 on a volume of 3.36m shares.

Canada

Markets continued Mondays sharp decline, with the Toronto Composite Index off 14.5 points at 2,341.8 by noon in active trading. Declines led advances 247 to 133.

Oils were weak. The Federal and Alberta Energy Ministers said they had made some progress in energy pricing talks but the dispute was a long way from being resolved.

Texaco Canada fell ⅛ to $24⅞, Dome Petroleum 2½ to $91, Gulf Canada ⅜ to $25 and Dome Canada ¼ to C$10⅞. The Oil and Gas Index was down 68.1 at 4,487.3.

Asbestos Corporation rose 1⅜ to C$40⅞ on 8,655 shares. Parti Quebecois, which won re-election in the province on Monday, is negotiating to take over the company.

Noranda was off ½ to C$31, Inco ⅛ to $25½ and Texas Gulf ¾ to C$65⅞. Gold producer Campbell Red Lake rose ⅝ to C$60 and Dome Mines ¼ to C$101½.

Noon volume was 3.19m shares (2.45m).

In Montreal, all major market sectors were lower. The Industrials Index had lost 2.33 to 393.71.

Closing prices for North America were not available for this edition.

Tokyo

Share prices fell substantially on profit-taking said to have been prompted by slower foreign purchases and a high balance of outstanding buying in margin trading.

The Nikkei-Dow Jones Market Average fell 22.08 to 7,514.88 with a moderate 550m shares traded. The Tokyo New Stock Exchange Index lost 2.81 to 547.59.

Shipbuildings and Heavy Electric Machines led the decline.

Mitsubishi Electrical fell Y9 to Y306, Mitsui Shipbuilding Y10 to Y231 and Kawasaki Heavy Industries Y8 to Y212. However, Nippon Steel gained Y16 at Y194.

Electricals, Drugs, Oils, Constructions and Precisions were lower with Matsushita Electrical down Y20 to Y1,260, Victor Japan Y40 to Y2,890, Yanawduchi Pharmaceutical 60 to 1,180, Koa Oil 19 to 651, Taisei Y3 to Y228 and Fuji Film Y30 to Y1,300.

Vehicles gained, reflecting smooth Japan/U.S. car trade negotiations and favourable business performances, with Honda and Nissan up Y30 each to Y820 and Y775 respectively. The Second Market was lower.

Hong Kong

Stocks closed lower in fairly quiet trading, with the Hang Seng Index losing 18.04 points to 1,332.81 on profit-taking and pressure from firmer U.S. interest rates.

Among leaders, Jardine Matheson lost 40c to HK$20.80 ahead of modest 1980 results expected today, Cheung Kong lost the same to HK$29.50 and Hongkong Wharf 20c to HK$7.60.

Elsewhere, Sun Hung Kai Properties shed 30c to HK$13.70 and Wheelock "A" 10c to HK$6.25. Turnover on the four exchanges was HK$185.51m (HK$247.47m).

Australia

The downturn in world bullion prices coupled with a large-scale withdrawal of overseas support took Sydney shares again sharply lower. The All Ordinaries Index down 5.7 on Monday, shed a further 8.2 to 718.1.

Losses among Gold leaders were exceeded by those in key Base Metals, Uraniums and the leading Oils. Santos was down A$1 to A$21.50, Hamersley 20c to A$4.35, MIM 20c to A$4.50 and Pancontinental 30c to A$10.40.

Coal Miners held out against the trend, but the Metals and Minerals Index was off 8.3 to 616.5. The lack of overseas interest was most evident in Oils, with the Oil and Gas Index 33.6 points lower at 997.7. Woodside Petroleum was 13c down at A$2.63 and Santos A$1 at A$21.50.

In Melbourne Industrials were mixed in a quiet trade and Banks strong. BBC rose 10c to A$4.10, National 7c to A$3.10, CBA 5c to A$3.60 and ANZ 5c to A$4.85.

Germany

Frankfurt bourse prices ended the day somewhat easier on limited volume. The Commerzbank Index was trimmed 5.4 points to 714.6.

Deutsche Bank fell DM 2.20 to DM 293.30 to lead its sector down. In easier Chemicals BASF fell DM 1.80 to DM 130.20.

Buying interest for Vehicle shares appeared, and BMW closed DM 2.50 up at DM 178 amid hopes that it would maintain its DM 10 dividend and seek new capital.

On the Domestic Bond market Public Authority loans were slightly easier. D-Mark Eurobonds were steady.

Paris

Bourse prices were again slightly easier in a thin market with dealers said to be cautious during the approach of the French Presidential elections.

Oils led the downward trend, with CFP down FFr 4 at FFr 216. Only Rubbers, where Michelin added FFr 2 to FFr 788, showed overall gains.

Peugeot, which announced that it was to sell half its Dodge trucks subsidiary to Renault, was unchanged at FFr 146.9. Pechiney Ugine Kuhlmann, which said it was holding talks on the possible purchase of Brandeis Goldschmidt, the London metal dealer, eased FFr 0.3 to FFr 102.

Foreign stocks generally followed the trend, although Gold Mines were higher.

Johannesburg

Gold closed cautiously steady at their day's highs. Among heavyweights, East Driefontein gained R2.50 to R31.25 cents while medium and lightweight gains ranged between 10 and 70 cents.

In mixed Mining Financials, Johnnies rose R2.00 to R77. In Diamonds, De Beers added 5 cents to R9.35 while Coppers firmed and Platinums eased. Rustenburg Platinum dropped 55 cents to R5.

Industrials closed narrowly mixed. Among Retailers, OK Bazaars shed 50 cents to R18.25.

Indices

NEW YORK —DOW JONES

	Apr. 13	Apr. 10	April 9	Apr. 8	Apr. 7	Apr. 6	1981 High	1981 Low	Since Cmpil't'n High	Since Cmpil't'n Low
●Industr'ls	993.16	1000.2	993.85	995.46	992.39	994.24	1015.22 (25/6)	951.67 (13/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds	61.09	61.42	61.42	61.42	61.54	61.25	65.73 (15/1)	61.25 (8/4)	—	—
Transport	459.25	446.29	445.44	453.02	454.69	452.10	446.29 (10/4)	373.18 (20/2)	446.23 (10/4/81)	12.23 (8/7/32)
Utilities	106.14	107.55	108.15	106.24	103.10	108.35	117.51 (5/1)	103.41 (25/2)	165.32 (20/4/69)	10.5 (28/4/42)
TradingVol 000's	50,230	56,150	59,520	48,080	44,640	45,190	—	—	—	—

●Day's high 1003.51 low 987.66

Ind. div. yield %	Apr. 10	Apr. 3	Mar. 27	Year ago (approx
	5.54	5.50	5.57	6.30

STANDARD AND POORS

	Apr. 13	Apr. 10	April 9	Apr. 8	Apr. 7	Apr. 6	1981 High	1981 Low	Since Cmpil't'n High	Since Cmpil't'n Low
‡Indust'ls	150.78	152.27	152.55	152.18	151.76	151.60	157.02 (6/1)	145.75 (2/3)	160.96 (28/11/80)	3.52 (30/6/32)
Composite	133.15	134.51	134.67	134.31	133.91	133.96	136.12 (6/1)	126.58 (20/2)	140.52 (28/11/80)	4.40 (1/6/32)

	April 8	Apr. 1	Mar. 25	Year ago (approx
Ind. div. yeild %	4.55	4.47	4.44	5.74
Ind. P/E Ratio	9.46	9.64	9.68	7.14
Long Gov. Bond Yield	12.94	12.46	12.63	11.64

N.Y.S.E. ALL COMMON

Apr. 13	Apr. 10	Apr. 9	Apr. 8	1981 High	1981 Low
76.94	77.78	77.60	77.55	79.14 (6/1)	73.46 (20/2)

Rises and Falls	Apr. 13	Apr. 10	Apr. 9
Issues Traded	1,910	1,904	1,902
Rises	487	850	879
Falls	1,103	682	635
Unchanged	320	372	388
New Highs	85	—	133
New Lows	19	—	8

MONTREAL

	Apr. 13	Apr. 10	Apr. 9	Apr. 6	1981 High	1981 Low
Industrials	396.04	393.53	397.21	395.26	393.55 (10/4)	355.28 (20/2)
Combined	370.05	373.26	371.03	369.95	373.66 (2/4)	352.54 (20/2)
TORONTO Composite	2356.5	2376.6	2363.9	2363.4	2376.8 (10/4)	2151.4 (20/2)

NEW YORK ACTIVE STOCKS

Monday	Stocks traded	Closing price	Change on day
IBM	354,300	60⅞	−⅜
Gulf Oil	762,100	33⅝	−⅞
Texaco	683,900	35⅜	−½
K Mart	647,600	22⅞	—
Exxon	541,700	67	[illegible]
East Air	513,300	10⅞	+¼
Pan Am Air	500,300	5⅝	+⅛
RCA	477,700	24¾	−⅛
Union Oil	444,200	34⅝	+1½

	Apr. 14	Apr. 13	Apr. 10	Apr. 9	1981 High	1981 Low
AUSTRALIA						
All Ord. (1/1/80)	718.1	726.3	731.2	726.5	757.5 (6/4)	641.1 (17/2)
Metal & Minrls. (1/1/80)	616.5	624.6	632.7	630.2	735.2 (7/1)	564.8 (5/3)
AUSTRIA						
Credit Aktien (2/1/62)	62.84	62.80	61.80	61.64	66.43 (5/1)	61.64 (9/4)
BELGIUM						
Belgian SE (31/12/63)	80.76	80.86	81.83	82.28	86.15 (17/2)	80.76 (14/4)
DENMARK						
Copenhagen SE (1/1/73)	108.37	108.56	106.52	108.40	109.25 (3/4)	95.88 (2/1)
FRANCE						
CAC General (29/12/61)	109.3	109.5	108.7	108.5	112.5 (17/3)	105.1 (29/1)
Ind Tendance (31/12/80)	101.5	102.1	102.4	102.5	106.6 (13/3)	95.4 (27/1)
GERMANY						
FAZ-Aktien (31/12/58)	251.45	252.99	252.44	251.96	252.99 (13/4)	216.88 (9/2)
Commerzbank(Dec. 1953)	714.6	720.0	717.2	716.20	720.0 (13/4)	656.4 (16/2)
HOLLAND						
ANP-CBS General (1970)	77.9	83.5	83.6	69.9	90.5 (26/2)	86.7 (2/1)
ANP-CBS Indust. (1970)	62.4	69.4	63.4	63.0	69.4 (10/4)	62.8 (2/1)
HONG KONG						
Hang Seng Bank (31/7/64)	1332.81	1350.85	1356.06	1326.06	1650.82 (4/2)	1295.44 (11/3)
ITALY						
Banca Comm. Ital (1972)	244.24	245.09	247.09	243.93	252.86 (6/4)	173.36 (8/1)
JAPAN						
Dow Average (16/5/49)	7514.88	7536.96	7517.51	7491.82	7536.96 (13/4)	6956.52 (16/3)
Tokyo New SE (4/1/68)	547.59	550.40	548.39	546.23	550.40 (13/4)	485.79 (6/1)
NORWAY						
Oslo SE (1/1/72)	119.06	119.23	119.90	120.06	124.16 (3/3)	116.22 (16/2)
SINGAPORE						
Straits Times (1966)	812.39	819.22	821.79	829.99	836.52 (6/4)	659.52 (2/1)
SOUTH AFRICA						
Gold (1958)	—	616.3	625.4	648.0	797.5 (7/1)	561.5 (5/3)
Industrial (1958)	—	610.7	615.7	620.2	622.4 (6/4)	537.2 (5/2)
SPAIN						
Madrid SE (30/12/80)	112.50	(c)	112.46	112.30	114.26 (17/2)	100.46 (2/1)
SWEDEN						
Jacobson & P. (1/1/58)	485.85	484.96	464.9	465.55	495.61 (25/3)	404.17 (20/1)
SWITZERLAND						
SwissBankCpn.(31/12/58)	300.4	301.5	300.9	300.9	304.2 (2/4)	287.0 (16/2)
WORLD						
Capital Intl. (1/1/70)	—	157.4	153.1	159.2	162.8 (6/1)	149.8 (17/2)

Base values of all indices are 100 except Australia All Ordinary and Metals—500; NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. (c) Closed.

COMMODITIES AND AGRICULTURE

Pay talks at Danish abbatoirs

By Our Commodities Staff

DANISH SLAUGHTERHOUSE workers and their employers met separately yesterday to prepare for talks aimed at averting a strike which threatens to halt the country's bacon exports to Britain. Danish bacon accounts for about 42 per cent of British supplies.

The Government has urged the two sides to seek a solution to the dispute, which is over a pay claim. If no solution is reached, the slaughtermen will stop work on April 22. This would quickly halt exports of sheepmeat, beef, veal and canned meat worth Kr 1.2bn (£81.25m) a month or about 15 per cent of Denmark's total exports.

The Agricultural Council spokesman said that Danish farmers, already reeling from reduced incomes and rising costs, would be hit very hard. The vacuum created on the British market would be filled quickly by other suppliers, he added.

Sugar price falls to £200

BY JOHN EDWARDS, COMMODITIES EDITOR

WORLD SUGAR prices fell to their lowest for more than a year on the London terminal market yesterday. The daily price for raw sugar was cut in the morning by £8 to £200 a tonne—the lowest since March last year. On the futures market, the August position dropped to £199 before rallying to close at £204.375 a tonne, still £2.50 down on the previous close.

The late rally was attributed to reports that Greece had bought 69,000 tonnes of EEC white sugar—9,000 tonnes more than sought originally — and rumours that Egypt had purchased 180,000 tonnes of French white sugar.

Aidin gthe recovery was the International Sugar Organisation decision to allow to come into effect limits on the amounts of sugar that International Sugar Agreement member countries can import from non-members.

This restriction is likely to be triggered on Thursday unless there is a sharp rise in the market.

If observed, it may help to stabilise the market as the EEC, the leading world sugar exporter, is not a member of the pact.

The main depressing influence early yesterday was the expectation the EEC would authorise another large amount of surplus sugar for export at today's weekl ysellling tender.

At the past two tenders, the EEC has authorised exports totalling more than 147,000 tonnes of white sugar. It is calculated that sales of 70,000 tonnes a week will be required if the Community is to dispose of its surplus by the end of the season, although it has been extended by a month to the end of July.

Remaining stocks are estimated at about 800,000 tonnes, but some 300,000 tonnes may have to be added as a result of traders giving up licences granted when export levies were imposed because EEC prices were well below world market levels. The fall in these since November's peak of £410 has completely changed the situation.

Now the EEC price is far above world market levels. The Commission, after a period of reluctance, two weeks ago granted the first export subsidy since last May to help Community sugar be sold competitively. Last week it stepped up the subsidy to more than 11 European Currency Units per 100 kilos; this week it will have to give a far larger subsidy.

London traders criticise the Commission's misjudging of the market. They say considerably more EEC sugar could have been sold at the high levels when the Community was earning money from exports rather than having to subsidise them—at the expense of the EEC taxpayer.

To be fair the Commission's view on limiting exports at the end of last year reflected the general market view that prices would keep rising (possibly to 1974s peak of £650) instead of diving to £200.

Chile mine threat lifts copper

By Our Commodities Staff

Copper prices rose on the London Metal Exchange yesterday helped by the threat of a strike by Chilean copper workers.

Copper cash wirebars gained £9 on the London Metal Exchange to finish at at £826.5. Rumours of the possible strike action were confirmed by Chilean Embassy sources in London reporting that the workers have refused a management wage offer and intend to take a strike vote tomorrow.

The leader of 8,500 workers at one time said the state copper corporation, Codelco, had offered a 2 per cent pay rise over two years in response to the unions' claims for a 10 per cent increase.

Representatives of six of the eight unions involved have rejected the management offer which will be put to a mass meeting tomorrow.

Meanwhile in the U.S. talks between strikers and management at the St. Joe Mineral Corporation's lead plants will start on April 17. They will try to resolve a dispute which has halted production at St. Joe's four lead mining and milling activities in Missouri since April 1. Cashlead closed at £342.50 on the LME—a gain of £1.75.

Higher wool prices expected

CANBERRA—Australian wool auction prices are expected to average between 405 and 410 cents a kilo clean in the 1980-81 season ending in June, the Bureau of Agricultural Economics (BAE) said.

Latest figures in the March edition of the quarterly "trends in Australian agricultural commodities" compare with the previous forecast range of 385 to 425 cents.

Market prices have fallen in the first quarter 1981 on higher than expected supply, the Bureau noted.

But reduced Australian wool supplies over the full season are expected to keep prices generally firm.

Greasy wool exports in the year to end-June are put at 500m kilos, down from the last estimate of 515m kilos and compared with 505m kilos in 1979-1980.

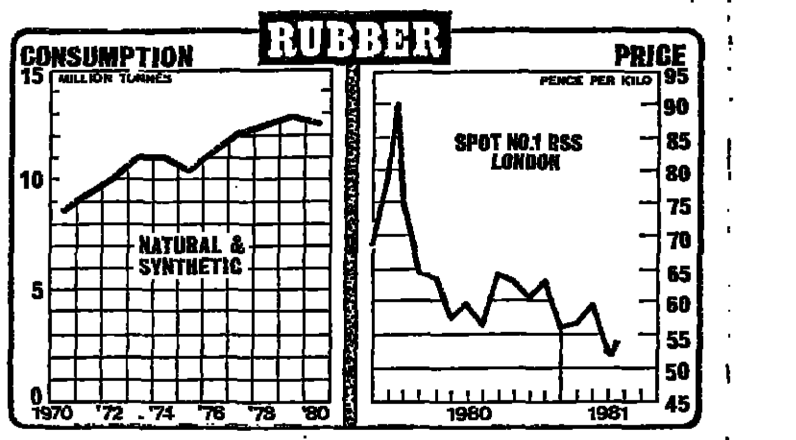
The wool production forecast for 1980-81 remains unchanged at 683m kilos greasy equivalent against 713m kilos in 1979-80.
Reuter

MARKET PROFILE: RUBBER

Depressed industry sees bright future

BY ROY HODSON

NATURAL RUBBER which cost nearly 100p a kilo in London in February last year is now fetching less than 54p a kilo and recently hit the lowest level since the end of 1978. The industry is also bracing itself for further price falls in coming months.



For an industry which long ago became accustomed to growth as its way of life, recent experiences have been traumatic. The agony is compounded by the fact—undisputed by growers, traders, and rubber users—that the natural rubber industry can still look forward to a brilliant future with a forecast increase in world demand of some 50 per cent during the next 10 years.

Chartism (the prediction of market movements by the consultation of charts of past performance) is a popular feature of the soft commodities trades. Somewhat to their own embarrassment, a number of the leading world traders in rubber now find themselves thrust into the role of reluctant chartists. They are having to place more emphasis than they would wish upon the mysteries of chartism such as "heads" and "double bottoms."

The reason is that the market for natural rubber is so dull and so sensitive to influences that the vagaries of the charts themselves can—and do—move the markets. The professionals may not like that fact. But they have to go along with it in a period when trade is so depressed.

The international recession and the consequent fall in demand for road vehicles has hit the natural rubber industry hard. Almost four-fifths of the world's annual production of nearly 4m tonnes of natural rubber is used in making tyres. The market has been hit doubly hard by the coincidence of a "once-and-for-all" factor — the widespread adoption in North America of the radial road tyre in preference to the cross-ply design.

The impact of the radial tyre upon the natural rubber industry takes a little explaining. In the long-run the introduction worldwide of radial tyres will assure the continuing growth of demand for natural rubber. Radials use a high proportion of natural rubber. They need it for its ability to release friction heat quickly and thus enable the tyre to run cool, and for its properties of adhesion which assist bonding to the core of the tyre during manufacturing.

But radials last up to twice as long as cross-ply tyres. And the International Rubber Study Group estimates that passenger car radials will shortly be giving mileages of between 45,000 km and 60,000 km before wearing thin.

American car makers went over to the fitting of radials in a big way three years ago. This year, the U.S. replacement tyre market virtually collapsed because the first radials fitted were continuing to give good service. The combination of the switch to radials and the recession has meant a 25 per cent fall in U.S. demand for natural rubber.

Although the car type markets in some countries, notably Japan and South-East Asia, have remained buoyant, the overall effects of the recession and the U.S. motor industry's move into radials has been sufficient to bring natural rubber prices down to their present low levels.

Dr. L. Bateman, secretary-general of the International Rubber Study Group, believes that world production of both natural and synthetic rubber, currently running at 12.6m tonnes a year will expand to 19m tonnes a year by 1990.

Within that total the radial tyre business will probably require production of natural rubber to be raised by 1.5m tonnes a year or thereabouts.

Rubber producers—led by Malaysia, Indonesia and Thailand—are despondent about natural rubber price levels in coming months. But they and many other smaller producing nations are increasing production acreages. They are encouraged by long-term demand growth with forecasts, and the calculation that natural rubber is likely to become steadily more competitive in price against oil-based synthetic rubber.

At the same time producers are now expecting a more stable market as a result of the International Rubber Agreement which has just come into force.

Should the natural rubber market revive quickly, production could be raised sharply if it were underpinned by higher prices. Smallholders would be encouraged to tap more rubber. The cost could be borne of using artificial yield stimulation techniques on the trees.

Development of natural rubber production on a large scale is a slow and expensive process. A tree takes six years to become rubber-bearing. But the guayule (pronounced why-oolee) shrub of Mexico and the southern United States can produce rubber on a crop cycle of only two years. Commercial rubber production for the guayule shrub is still some years away.

But it is significant that the U.S. Administration is considering a project to expand United States production of guayule as a long-term way of reducing dependence on imports of natural rubber.

Potato stocks estimated

By Our Commodities Staff

AN EXPECTED surplus of potatoes in Britain this season is covered by the tonnage contracted to the Potato Marketing Board, 385,000 tonnes of which has already been moved for stockfeed, the board said yesterday.

Following a census at the end of February of all potato stocks held in Britain, it estimated the total at 2,322,000 tonnes. This included stocks held by merchants and processors and allowances for production from the 1,100 hectares of plantings that remain to be lifted.

The board said that stocks at the end of February were higher than in the previous season but, after allowing for wastage in store, higher human consumption, imports, exports and seed requirements, the surplus did not exceed contracted supplies.

Disease plea by hop growers

By Our Commodities Staff

WALKERS HAVE been asked to avoid using footpaths through Herefordshire and Worcestershire hopyards to avoid spreading a disease which could devastate the crop.

Record world harvest forecast

WASHINGTON—Prospects continue to brighten for a bumper world grain harvest this year, the U.S. Agriculture Department said here, reports AP-Dow Jones.

Favourable progress of winter grains, generally good planting conditions for spring grains, and increases in grain area in exporting countries, means world grain production is likely to be a record in 1981, the Department said.

Assuming reasonable weather in the major countries, production will exceed usage and there should be some recovery in world stocks in the 1981-82 season, particularly for wheat.

But the Department's monthly report warned that poor weather could result in a further depletion of already low stockpiles of grain, and possibly force a reduction in the amount of grain fed to livestock.

Other factors will include global economic conditions and the status of U.S. grain sales to the Soviet Union, which have been sharply curbed since January 4, 1980, in response to the Soviet intervention in Afghanistan.

The report said conditions for wheat and other winter grains in the Soviet Union and China have continued to be favourable and that crops in Eastern Europe appear to be progressing well.

But severe drought has affected the Iberian Peninsula, Northern Italy and Morocco for the past few months, it noted. Although generous rainfall occurred in Spain, Northern Italy and Portugal in the last week of March, the situation remains serious, and grain import requirements for these countries are expected to substantially increase from last year's levels, it said.

In Canberra, the Australian Bureau of Agricultural Economics said above average rainfall in the autumn and winter periods is needed if the country's 1981-82 season grain crops are to produce average yields, reports Reuter.

This followed generally dry conditions throughout the continent in the first three months of 1981, particularly in the northern grain growing areas, the BAE said in the March edition of its quarterly Trends in Australian Agricultural Commodities.

Australian crops in the 1980-81 season were sharply lower than the previous year because of the continuing drought affecting most states, the BAE noted.

Grain ban angers French

PARIS—The French National Federation of Agricultural Trade Unions claimed yesterday that the EEC Commission's refusal to allow the export of 600,000 tonnes of French wheat to the Soviet Union jeopardised the smooth running of the country's next cereals campaign.

The Federation said it was urgent that French wheat be moved out of stocks. France wants the Commission to allow intervention at the cereals reference price for the first three months of the new campaign, which begins on August 1.

It was unacceptable that farmers should have to bear the damaging consequences of political decisions, the Federation said. It suggested farmers might have to renew their demonstrations in Brussels to defend their interests against the U.S. embargo on grain sales to the Soviet Union.

The Commission last week opened a new tender for the export of up to 1.23m tonnes of wheat from French intervention stocks. This did not cover sales to the Soviet Union.
Reuter

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Firmer on the London Metal Exchange as rumours, later confirmed, of a possible strike at the El Teniente mine in Chile prompted speculative buying and lifted forward metal from £837 to a high of £848 before a close of £847. The strength of gold was an additional factor in the rise in the market. Turnover: 20,525 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	827-8	+5.75	826-7	+9
3 months	845.5-7	+5	846-.5	+8
Settlem't	828	+6	—	......
Cathodes				
Cash	820-.5	+5.75	818-20	+9
3 months	835-6	+6.25	834-6	+10
Settlem'	820.5	+5.5	—	......
U.S. Prod	—		*87-92	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £827, 27.5, three months £846, 47, 46.5, 45.5, 46, 46.5, 47. Cathodes, cash £820, 21. Kerb: Wirebars, three months £846, 45.5, 45. Afternoon: Wirebars, three months £844, 44.5, 45, 44.5, 44, 47, 46.5, 46. Kerb: Wirebars, three months £847, 47.5, 47.

TIN—Little changed in quiet trading with forward metal moving in a £20 range prior to closing the late Kerb at £6,225. Offerings of cash metal widened the contango to around £10. Turnover: 1,080 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	6195-200	-17.5	6200-10	-5
3 months	6218-20	+4	6210-20	+2.5
Settlem't	6200	-20	—	......
Standard				
Cash	6195-200	-17.5	6200-10	-5
3 months	6218-20	+4	6210-20	+2.5
Settlem.t	6200	-20	—	......
Straits E.	$30.40	-0.28	—	......
New York	—	......		

Morning: Standard cash £6,205, 6,200, 6,190, 95, three-months £6,220, 15, 10, 05, 6,200, 05, 10. Kerb: Standard, three months £6,215, 20. Afternoon: Standard: three months £6,210, 20. Kerb: Standard, thre months £6,20. 25.

LEAD—Marginally firmer as trade buying lifted forward metal to £353 before profit-taking pared the price to £349.5 by the close. Turnover: 14,000 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	347-.5	+3	342-3	+1.75
3 months	352-.5	+5.25	348-.5	+1.5
S'ment	347.5	+2	—	......
U.S. Spot	—	......	*36	......

Morning: Cash £347, three months £352, 51.5, 52, 51, 52, 52.5, 53, 52.5, 52. Kerb: Three months £352, 51. Afternoon: Three months £349, 49.5, 49, 48.5. Kerb: Three months £349, 49.5, 50.

ZINC—Easier as influential selling and stop-loss selling lowered forward metal to £377. This level attracted trade buying, however, which prompted a rally to £380.5 on the late Kerb. Turnover: 28,200 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	368-70	-4.5	365.5-6.5	-4.5
3 months	380-1	-4	377-.5	-3⅛
S'ment	370	-4	—	......
Primw'ts	—	......	*43.5	......

Morning: Three months £381, 80.5, 80. Kerb: Three months £380.5. Afternoon: Three months £381, 78, 77. Kerb: Three months £378, 79, 79.5, 79, 78, 79, 79.5, 80.

ALUMINIUM — Barely changed as general selling, reflecting firmer sterling, prompted a reaction from £649 to a close of £643.5 on the late Kerb. Turnover: 9,625 tonnes.

Morning: Cash £629, 28, 27, early-July £647, three months £647, 46.5, 45. Kerb: Three months £645, 44, 43.5. Afternoon: Cash £627, three months £646, 43, 43.5, 43, 44. Kerb: Three months £644, 43.5, 44.

Alumin'm	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
	£	£	£	£
Spot	626-7	-6.5	625-6	-7
3 months	644.5-5	-5.25	644-.5	-6

NICKEL—Lost ground, reflecting the rise in sterling and selling of cash material. Forward metal opened at £2,945 but ran into selling which pared the price to a day's low of £2,890 before a close on the late Kerb of £2,912.5. Turnover: 606 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
Spot	2951-8	+58.5	2915-8	-56
3 months	2940-5	-41	2900-5	-56

Morning: Three months £2,945, 40, 45. Afternoon: Three months £2,940, 10, 05, 2,890, 95, 2,900. Kerb: Three months £2,905, 10, 15.

SILVER

Silver was fixed 12.6p an ounce higher for spot delivery in the London bullion market yesterday at 519.10p. U.S. equivalents of the fixing levels were: spot $11.28, up 33c; three-month $11.733, up 32.9c; six-month $12 208, up 32.6c; and 12-month $13.09, up 32c. The metal opened at 504-513p ($11 00-11.20) and closed at 516-525p ($11.25-11.45).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	519.10p	+12.6	524.0p	+21
3 months	534.40p	+13	539.5p	+21
6 months	550.50p	+12.9	—	......
12months	563.30p	+12.5	—	......

LME—Turnover 82 (74) lots of 10,000 ozs. Morning: cash 519.5; three months 535, 36, 35, 34.5, 34. Kerb: three months 533. Afternoon: three months 532, 33.5, 38, 39. Kerb: untraded.

COCOA

Futures remained steady in quiet trading conditions for prices to close at the levels of the previous day. Actuals business continued to be neglected, reports Gill and Duffus.

COCOA	Yes'rday's Close	+ or —	Business Done
May	936-938	+0.5	939-934
July	958-960	-0.5	962-955
Sept.	978-979	—	982-975
Dec.	999-1000	—	1003-999
March	1020-1022	-1.0	1024-1020
May	1037-1038	—	1039-1036
July	1052-1056	+0.5	—

Sales: 1,247 (1,396) lots of 10 tonnes.
ICCO Futures—Daily price for April 13: 93.46 (94.87); five-day average 94.26 (94.68).

COFFEE

Robustas opened with marginal losses in thin volume, reports Drexel Burnham Lambert. Trade buying emerged around the lower levels, however, and towards the close self-trades of 5,000 lots boosted turnover. Late dealer selling contributed to further losses.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
May	1047-49	-4.0	1050-45
July	1048-49	-4.5	1053-45
Sept	1050-51	-4.0	1054-48
Nov	1048-50	-4.0	1052-46
Jan	1050-55	-1.5	1049
March	1040-50	-5.5	1050-45
May	1030-50	-15.0	—

Sales: 6,781 (829) lots of 5 tonnes.
ICO Indicator prices for April 13: (U.S. cents per pound): Other Mild Arabicas 124 83 (126.33); Robustas ICA 1976 111.75 (113.25); ICA 1968 112.00 (113.50). Unwashed Arabicas unquoted. Comp. daily ICA 1968 unquoted.

GRAINS

Old crop wheat opened 25p up. Values moved higher but eased after buying evaporated. Further selling and a general lack of buyers depressed values after lunch. Barley trading was fairly quiet with values holding about steady throughout the day. New crops saw a steady demand, Acli reports.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yesterday close	+ or —
May	118.40	-0.75	99.90	+0.05
July	120.30	-0.80	—	......
Sep	101.90	+0.20	95.75	-0.10
Nov	105.40	+0.26	99.35	+0.05
Jan	109.35	+0.30	102.90	......
Mar	113.10	+0.05	106.55	......

Business done—Wheat: May 120.00-118.40, July 121.80-120.30 Sept. 101.80 one trade, Nov. 105.40-105 25, Jan. 109.25 one trade, March 113.15-113.05. Sales: 298 lots of 100 tonnes. Barley: May 100.00-99.85. Sept. 95.80-95.75, Nov. 99.35 one trade, Jan 102.90 one trade, March 106.55 one trade. Sales: 123 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 2, 14 per cent: May 105 25: June 104.75 transhipment East Coast, sellers. U.S. Hard Winter, 13½ per cent: May 105.25; June 103.50 transhipment East Coast, seller English Feed, fob: June 123.75 paid East Coast: Oct. 107 paid Bristol Channel: Nov. 109 paid East Coast. Maize: French: April 125 50 transhipment East Coast, seller. South African Yellow: April/May 85.50 seller. Barley: English Feed, fob: April 102.50: May 104.50. Rest unquoted.

HGCA — Locational ex-farm spot prices. Feed barley: S. East 98.50, S. West 100.30, W. Mids. 99.80, N. West 99.60. The UK Monetary Coefficient for the week beginning Monday April 20 (based on HGCA calculations using 5 days exchange rates) is expected to remain unchanged.

RUBBER

The London physical market opened slightly steadier, with little interest at higher levels, closing easier. Lewis and Peat reported an fob May price for No. 1 RSS in Kuala Lumpur of 269.0 (267.0) cents a kg and SMR at 245.0 (243.5).

No 1. R.S.S.	Yest'r'ys close	Previous close	Business Done
May	55.80-56.40	54.20-55.00	—
June	54.60-55.60	55.10-56.10	—
Jly-Sept	57.30-57.50	58.00-58.20	58.70-57.10
Oct-Dec	59.30-60.40	61.20-61.30	61.70-60.20
Jan-Mar	63.50-63.40	64.10-64.30	64.50-65.00
Apl-Jne	66.20-66.50	67.10-67.20	67.10-66.50
Jly-Sept	69.00-69.20	69.90-70.10	—
Oct-Dec	71.80-72.30	72.70-73.00	—
Jan-Mar	74.70-75.00	74.40-76.00	—

Sales: 413 (143) at 15 tonnes, nil (5) at five tonnes. Physical closing prices (buyer) were: Spot 53.00p (53.50p). May 56.00p (56.25p). June 56.75p (57 00p).

GAS OIL FUTURES

caused the IPE to close $1.00-$2.00 lower. Further stop loss selling pushed prices further down but short covering and a steadier New York opening caused a late rally, reports Premier Man. Turnover: 772 (1,079) lots of 100 tonnes each.

Month	Yesterdys close	+ or —	Business Done
	$ U.S. per tonne		
June	291.75	-2.25	293.50-89.00
July	295.75	-1.50	296.50-94.25
August	300.75	-2.50	302.00-298.75
September	306.75	-2.25	307.50-05.50
October	313.00	-2.75	313.00-11.50
November	319.00	-2.00	319.00-17.50
December	325.00	-1.00	325.00-22.50
January	329.00	+1.00	329.00-25.50
February	332.50	+0.50	—

SOYABEAN MEAL

The market opened slightly better in thin trading conditions, reports T. G. Roddick. Prices drifted until late in the day when fresh Commission House buying steadied the market which closed with small gains.
Sales: 80 (181) lots of 100 tonnes.

	Yesterdys Close	+ or —	Business Done
	£ per tonne		
April	131.00-35.0	......	—
June	130.50-30.8	+0.55	131.00-130.00
August	135.60-35.7	+0.15	134.00-133.80
October	135.50-35.8	+0.45	136.50
December	136.00-38.8	+0.70	136.50
February	137.00-39.5	-0.25	—
April	138.00-42.5	......	—

Sales: 8,470 (6,842) lots of 50 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £200 00 (£208.00) a tonne cif April-May shipments. White sugar daily price £215.00 (£221.00).

Keen selling from one quarter at the opening took off Commission House stop-loss liquidation and all positions touched new life-of-contract low points with May at £198.00. Later the market recovered somewhat as shortcovering developed, reports C. Czarnikow.

No. 4 Contract	Yest'rdy's Close	Previous Close	Business Done
	£ per tonne		
May	204.50-04.75	206.80-06.75	207.00-198.0
Aug.	204.25-04.50	206.85-06.90	207.50-199.0
Oct.	203.75-04.00	206.50-06.75	207.00-198.5
Jan.	200.00-05.00	203.00-04.00	198.00-07.50
March	201.00-01.95	204.00-04.50	205.50-197.5
May	201.00-03.00	204.25-04.50	200.00-197.5
Aug	202.00-05.00	204.25-07.00	200.00

Tate and Lyle ex-refinery price for granulated basis white sugar was £342.6 (same) a tonne for home trade and £273.50 (£283.00) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean port. Prices for April 13: Daily price 18.27 (18.83); 15-day average 20.47 (20.74).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 361 tonnes, bringing the total for the week so far, to 574 tonnes. Renewed pressure for supplies increased the turnover and useful operations ensued. Most of the purchases were in American-type qualities, with Middle Eastern varieties to the fore.

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kilo. May 355, 357, 356-353: Aug. 362, 388, 363; Oct. 364, 367, 366-365; Dec. 374, 377, 376-375; Jan. 376, 379, 378-377; March 381, 383, 382; May 385, 388, 388-387; Aug. 388, 392, 394, 391; Oct. 393, 396, 396-393. Sales: 57.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kilo. May 493.0, 494.0, 493.5-493 0; July 492 0, 492.8, 494.0-491.8; Oct. 488.0, 488.5, 490.0-488.0; Dec. 491.0, 492.0, 493.5-491.0; March 500.0, 501.0, 500.0; May 504.0, 505.0, 504.5; July 508.5, 512.0, 508.0; Oct. 508.0, 510, nil. Sales: 197.

POTATOES

LONDON POTATO FUTURES — All positions easier, losing up to £1 in early trade before recovering around midday. Afternoon trade quiet, report Coley and Harper. Closing prices: Nov. 56.00, —0.4 (high 56.20, low 55.70); Feb. 63.10, —0.4 (high 63.50, low 62.60); April 70.20, —0.5 (high 70.20, low 69.60). Turnover: 106 (90) lots of 40 tonnes.

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on April 14. GB—Cattle 92.65p per kg lw (+0.29). UK—Sheep 173.92p per kg est dcw (+7.22). GB—Pigs 69.70p per kg lw (—3 21).

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 77.5 to 80.0: Ulster hindquarters 92.0 to 96.0, forequarters 54.0 to 58.0; Eire hindquarters 91.0 to 96.0, forequarters 55.0 to 58.0. Veal: Dutch hinds and ends 116.0 to 124.0. Lamb: English small 70.0 to 78 0, medium 70.0 to 77.0, heavy 64.0 to 76.0; Imported frozen—New Zealand PL 62.0 to 63.0, PM 60.0 to 61.0. Pork: English, under 100 lb 46.0 to 51.5, 100-120 lb 45.5 to 51.0, 120-160 lb 42.0 to 49.0.

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported Produce: Oranges—Jaffa: Shamoutis/V. Lates 50/189 4 85-5.25; Spania: Navels 48/100 4.20-4.80; Cyprus: V Lates 80/120 3.20-3.50; Moroccan: Lates 64/113 3.70-4.50. Lemons—Spania: Trays 25/54 1.50-2.00; Cyprus: 10-kg 4.00-4.40; Californian: 95/140 6.50; Italian: 100/120 4.00; S. African: 80/100 5.80; Jaffa: 5.80. Grapefruit—Cyprus: 20 kg 40/64 3.40-3 80; Jaffa: 20-kg 36 4.45, 40 4.50, 48 4.65, 56 4.40, 64 4.05, 75 3.85. Topaz—Jaffa: 22-lb 40/80 4.20-5.20. Apples—S. African: Golden Delicious 7.80-8.80, Starking 6.50-7.00; Chilean: Granny Smith 7.20-7 40; Canadian: Red Delicious 135/150 7.50-8 50; U.S.: Red Delicious 8.50-9.50; Belgian: 28-lb, per pound Cox's 0.10-0.14; French: Stark Crimson 40-lb 5.40-6.50; 20-lb 72 2.80, 84 2.40, Granny Smith 40-lb 5 80-7.00, 20-lb 72 3.50, 84 3.00, Golden Delicious 40-lb 125/175 4.00-5.00; 20-lb 72 2.60, 84 2.20; Italian: 40-lb Romes 60/70 4 60-4.80; Dutch: 28-lb, per pound 0 09-0.14: New Zealand: Cox's Orange Pippins 150/180 10.00-10.50. Pears—Dutch: Conference per pound 0.14: Italian: Passacrassana 0 12-0.14; S. African: Packhams 6 50-7.50, Beurre Hardy 5.50-6.40, Beurre Bosc 5 50. Australian: Williams Bon Chretien 40-lb 9.00. Grapes—S. African: 9-lb Waltham Cross 4.00, Barlinka 4.00-4.20, New Cross 6.50-6.80: Chilean: 10-lb Italia 9.00, Thompson 6.80 7.20, Ribier 5.00. Melons—Chilean: 15-lb 6/13 10.00-12.00. Strawberries—Israeli: Per punnet 8oz 0.60; Mexican: 12oz 0.90; Italian: 8oz 0.40; U.S.: 12oz 1.10; Spanish: 8oz 0.40.

PRICE CHANGES

	Apr. 14 1981	+ or —	Month ago
Metals			
Aluminium	£810/815	....	£810/815
Free Mkt	$1380/1410	....	$1460/490
Copper			
Cash w'bar	£826.5	+9	£815.5
3 mths	£846.25	+9	£834.75
Cash Cathode	£819	+9	£810
3 mths	£835	+10	£823
Gold troy oz.	$485.5	+14	$492.5
Lead Cash	£342.5	+1.75	£319.5
3 mths	£348.25	+1.5	£325.5
Nickel	£3,379.58	....	£3,506.65
Freemkt	290/305c	....	275/298c
Platin'mtr'y oz	£213.5	....	£213.5
Freemkt	£213.80	+5.5	£218.95
Quicksilver†	$410/420	-2.5	$405/415
Silver troy oz	519.10p	+12.6	560.65p
3 mths	534.40p	+13	567.15p
Tin Cash	£6,205	-5	£6,095
3 mths	£6,215	-2.5	£6,172.5
Tungsten22.04lb	$149.08	....	$14.635
Wolfrm 22.04 lb	$144½/147½	....	$151/156
Zinc Cash	£366	-4.5	£340.5
3 mths	£377.25	-5.125	£349.25
Producers	$825/875	....	$825
Oils			
Coconut (Phil)	$532.5w	-17.5	$580
Groundnut	‡	....	‡
Linseed Crude	£406	....	£413
Palm Malayan	$570x	-5	$600
Seeds			
Copra Philip	$375	....	$385
Soyabean(U.S.)	$315	-5.75	$310
Grains			
Barley Futures	‡	....	£99.70
Maize			
French	£125.5	....	£123.5
Wheat			
No 1 Red Spg.	‡	....	‡
No2 HardWint	£105.25u	-0.75	£103.00
Eng. Milling†	‡	....	‡
Other commodities			
Cocoa ship't	£1,033	+1	£1,042
Future July	£959	-0.5	£946.5
CoffeeF't July	£1048.5	-4.5	£1013
Cotton A.Index	88.60c	....	91.30c
Rubber (kilo)	53p	+0.5	57p
Sugar (Raw)	£200w	-8	£246
Woolt'ps 64s kl.	324p kilo	....	318p kilo

‡ Unquoted. u May-June. x June. w April-May. v May. † Per 46-lb flask.

AMERICAN MARKETS

Monday's closing prices

NEW YORK, April 13.

A strong dollar, higher interest rates and heavy arbitrage selling put some of the major markets under pressure. Gold, copper, cocoa, coffee and sugar all suffered fro am lack of buying interest, while silver rallied on trade short covering. The pork complex rallied for major gains on strong product undertone. The grain complex and soyabeans sold off sharply on good moisture over the weekend. Cotton finished lower on sympathy selling with the grains. Technical selling continues to be a feature in the heating oil, reported by Heinold.

††Cocoa—May 1935 (1972), July 1995 (2030), Sept. 2055, Dec. 2115, March 2170, May 2214, July 2260.

Coffee—"C" Contract: May 121.65-121.80 (124.33), July 122.75-123 20 (125.22), Sept. 123.25-123.40, Dec. 121.25-121 50, March 120.00-120.25, May 120 10-120 25, July 119 50-120.90, Sept. 120.00-121.00. Sales: 2,189.

Copper—April 79.55 (81.10), May 80.25-80.30 (81.85), June 81.50, July 82.60-82.80, Sept. 85.10-85.50, Dec. 88.60-83 80 Jan. 89 90, March 92.20, May 94.40, July 96 60, Sept. 98.80, Dec. 101.95, Jan. 103.00. Sales: 6,000.

Cotton—No. 2: May 88.10-88 45 (88.89), July 89.20-89.45 (89 72), Oct. 86 35, Dec. 83.15-83.35, March 84.40-84.50, May 85.00-85.30, July 85 75-85.95.

*Gold—April 479.0 (486 6), May 481 0 (490.0), June 485.5-488.0, Aug. 498 5-500.0, Oct. 512.0, Dec. 523.0-526.0, Feb. 537.4, April 550.3, June 563.3, Aug. 576 4 Oct. 589.7, Dec. 603.2, Feb. 617 0. Sales: 42,000.

Heating Oil (cents per U S. gallon)—May 0.9532 (0 9585), June 0.9605 (0.9639), July 0.9726, Aug. 0.9815, Sept. 1.0018, Oct. 1.0215, Nov. 1.0380, Dec. 1.0610, Jan. 1.0830, Feb 1.0950, March 1.1210, April 1.1275, Maq 1.1299. Sales: 2,464.

Orange Juice—May 140.65 (145.50), July 144.00-144.10 (146.70), Sept. 143.00, Nov. 143.75-144.00, Jan. 142.50-142.70, March 144.00, May 144.75-145.00, July 145.75-146.00, Sept. 146.25-146.50. Sales: 2,500.

*Platinum — April 452.0 (455 1), May nil (nil), June nil, July 463.0-469.0, Oct. 483.0, Jan. 500.0, April 518.0. Sales: 1,298.

Potatoes (round whites) — Nov. 77.8-78.0 (764), Feb. 87.5-88.5 (860), March 91.5, April 105.5-105.7. Sales: 218.

¶Silver—April 1117 5 (1112.0), May 1123.0-1128.0 (1121.0), June 1140.5, July 1155.0-1159.0, Sept. 1189.0-1190.0, Dec. 1233.0-1237.0, Jan. 1249.0, March 1280.0, May 1311.0, July 1342.0, Sept. 1373.0, Dec. 1419.5. Handy and Harman bullion spot: 1090.00 (1116.00). Sales: 3,500.

Sugar — No. 11: May 18.25-18.30 (18.81), July 18.40-18.50 (18.86), Sept. 18 49, Oct. 18.40-18.45, Jan. 18.33, March 18.47-18.55, May 18.57-18.65, July 18.75-18.90. Sales: 9,256.

Tin—619.00-627.00 (637.0-642.00).

CHICAGO, April 13.

Chicago Imm Gold—April 478.6 (487.0), May Nil (Nil), June 487.0-488.0, July 493.7, Sept. 504.0-505.5, Oct. 512.4, Dec. 524.0, Jan. 531.3, March 544.0, April 550.5.

Lard—Chicago loose 19 50 (same).

Live Cattle—April 65.15-65.30 (65.15), June 69.05-69.25 (69.42), Aug. 69.75-69 85, Oct 68.42-68.55, Dec. 69.55-69.45, Feb. 70.65, April 71.15.

Live Hogs—April 43.10-43.00 (42.37), June 51.15-51.25 (50.45), July 54.25-54.15, Aug. 54.60-54 85, Oct. 55.00-55 10, Dec 57.50-57.80, Feb. 59.35, April 58.37, June 59.90.

‡‡Maize—May 363¾-364 (365¼), July 375½-375¼ (377½), Sept. 382¾-382½, Dec. 387¾-386½, March 397½-398, May 403.

Pork Bellies—May 60 02-60.02 (58.02), July 61.22-61.22 (59.22), Aug. 60.90-60 90, Feb. 73.80-73.75, March 73.65, May 73.25, July 74.25.

†Soyabeans—May 769-770 (787½), July 794½-796 (812½), Aug. 805½, Sept. 811½, Nov. 820½, Jan. 846½, March 866, May 880.

||Soyabean Meal — May 218.5-218.8 (225.0), July 227.3-227.8 (233.6), Aug. 230 5-231.0, Sept. 234.0, Oct. 236.5-237.0, Dec. 241 0-240.8, Jan. 243.5, March 248 0, May 250.0-251.0.

Soyabean Oil — May 24 27-24.23 (24.75), July 25 08-25.02 (25.57), Aug. 25.42-25.40, Sept. 25.70, Oct. 26.00, Dec 26.65, Jan. 26.80, March 27.45-27 55, May 27.95-28 05, July 28.45-28.55.

†Wheat—May 433-433½ (440¼), July 438-438½ (442¾), Sept. 452-454, Dec. 476, March 495, May 505.

WINNIPEG, April 13.

§Barley—May 147.30 (148 00), July 149.30 (150.30), Oct. 147.70, Dec. 147.70, March 147.90.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 258.32 (257.27).

EUROPEAN MARKETS

ROTTERDAM, April 14.

Wheat—U.S. Two Dark Hard Winter 13.5 per cent May $210, June $208, July $209. U.S. No. Two Red Winter May $205, June $200, July $192. U.S. No. Two Northern Spring 14 per cent April/May/June/July/Aug. $211, Sept. $214, Oct. $218, Nov. $221.

Maize—U.S. No. Three Corn Yellow afloat $163.50, April $163.25, May $163.75, June $168, July/Sept. $172.75, Oct./Dec. $174.75, Jan./March $187.25.

Soyabeans—U.S. Two Yellow Gulfports April $309 paid, $309.25 seller, May $309.50, June $314, July $318, Aug. $321.50, Sept. $324.50, Oct. $327.50, Nov. $328.50, Dec. $335, Jan. $340.50, Feb. $345.50, March $349. Option Argentine/Brazil Gulf May $306.50, June $308 50, July $309.50 sellers.

Soyameal—44 per cent protein U.S. afloat $276, April/May $268, April/Sept. $276, Nov./March $299. Brazil Pellets afloat $281 50, April/May $281, June/July $287, April/Sept. $288.

PARIS, April 14.

Cocoa—(FFr per 100 kilos): May 1030-1037, July 1055-1075, Sept. 1085-1095, Dec. 1100-1109, March 1125-1140, May 1145-1165. Sales at call: Nil.

Sugar—(FFr per tonne): May 2400-2410, July 2330-2380, Aug. 2305-2310, Oct. 2255-2265, Nov. 2240-2260, Dec. 2185-2240, March 2215-2220, May 2220-2250. Sales at call: 6.

GRIMSBY FISH — Supply good, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £4.00-£5.00, codlings £2.50-£3.50. Large haddock £4.40-£5.00, medium £3.50-£4.20, small £1.40-£2 50. Medium plaice £3.80, best small £2.20-£3.00. Skinned dogfish (medium) £4.00-£6.00. Lemon soles (large) £8 50, medium £7.50. Saithe £2.30-£3.00.

INDICES

FINANCIAL TIMES

April 13	April 10	Month ago	Year ago
260.33	262.54	258.01	285.40

(Base: July 1, 1952=100).

MOODY'S

April 13	April 10	Month ago	Year ago
1118.7	1120.5	1131.5	1139.0

(December 31, 1931=100)

DOW JONES

Dow Jones	April 13	April 10	Month ago	Year ago
Spot	411.62	416.97	416.20	419.77
Fut'rs	420.70	424.31	426.82	429.60

(Average 1924-25-26=100)

REUTERS

April 14	April 13	M'nth ago	Year ago
1696.5	1703.8	1704.6	1717.7

(Base: September 18, 1931=100)

PUBLIC NOTICES

HERTSMERE BOROUGH COUNCIL
£850,000 Bills issued on 15.4.81 at 11.40625⅛ to mature on 15.7.81. Total applications £7.650,000. Total outstanding £850,000.

METROPOLITAN BOROUGH OF WOLVERHAMPTON
£9.5m 91-day Bills issued on 15 April, due 15 July 1981 at 11⅝%. Applications totalled £31m. None outstanding.

GREAT GRIMSBY BOROUGH COUNCIL
£350,000 Bills issued today due 15.7.81 at 11¾%. Total applications £3.15m. Outstanding £350,000.

WALSALL METROPOLITAN BOROUGH BILLS
£10,000,000 Bills issued 15 April, 1981, due 15th July, 1981, at the rate of 11⅝%. Applications totalled £73,000,000. These are the only Bills outstanding.

Hopes that turning point in economy has been reached impart steadier tone to equity leaders and Gilt-edged

Account Dealing Dates

*First Dealings	Option Declarations	Last Dealings	Account Day
Mar. 30	Apr. 8	Apr. 9	Apr. 21
Apr. 10	Apr. 29	Apr. 30	May 11
May 1	May 14	May 15	May 26

* "New time" dealings may take place from 9 am two business days earlier.

February's statistical evidence that UK industrial output was at last beginning to improve imparted a steadier tone to London stock markets yesterday. The possibility that this could mark the turning point in the economy encouraged dealers to mark leading shares higher and for a while the tone was promising.

Before noon, however, it became clear that institutional investors were reluctant to follow the movement. Business was restrained by the approaching Easter holiday allied to the possible effects of last Friday's broking failure, and many top-quality stocks soon drifted back a shade.

A series of trading announcements, including preliminary statements from **RTZ**, **RMC** and **Northern Engineering**, failed to stimulate a lethargic equity market. Illustrating the lacklustre performance, a gain of 3.0 at 11.00 am in the FT Industrial Ordinary share index was reduced to less than a point by 2.00 pm before a late rally left it 2.2 up on the day at 548.8.

Of the index constituents, **Glaxo** failed to extend Monday's late sharp advance caused by the unexpected interim dividend increase and pleasing half-yearly figures, but **Bowater** attained a 1981 peak of 286p before slipping quickly to 275p and ending a net 4 easier at 278p; continued speculation about the group's U.S. interests was the dominant influence in the latter.

Gilt-edged traders chose to ignore a Press suggestion of a possible cut in Minimum Lending Rate tomorrow, but the market regained composure after the previous day's setback. Medium and longer-dated maturities settled a maximum of ⅜ higher, **Treasury 12 per cent 1987** regained that much at 93¼, while the shorts were generally 1/16 harder. The low-coupon **Treasury 3 per cent 1985** attracted a small interest in clean form and rose ⅛ to 74⅛.

Demand for Traded options continued to contract and only 643 deals were arranged—the lowest for almost a month. **Courtaulds** and **Marks and Spencer** attracted 108 and 107 trades respectively.

Mercury Secs. good

Mercury Securities became a firm feature in the banking sector, rising 14 to 342p on news of the possible sale by S. G. Warburg of its metal trade subsidiary—Brandeis Goldschmidt—to Pechiney Ugine Kuhlmann. Dull recently on fears that the bids from Hongkong and Shanghai and Standard Chartered might be referred to the Monopolies Commission, **Royal Bank of Scotland** rallied 16 to 168p yesterday accompanied by vague suggestions that Standard are preparing another offer. In ex-rights form, **HK and Shanghai** closed at 130p, while the new nil-paid shares opened at 30p premium, touched 25p and closed at 28p premium.

Warnings by the chairmen of **General Accident** and **Commercial Union** of difficult trading conditions throughout the current year deterred potential buyers of Composite Insurances. Consequently, prices drifted lower with CU closing 4 off at 162p and GA 2 easier at 356p. **Sun Alliance** lost 12 to 822p and **Royal** 3 to 375p. Elsewhere, **Hambro Life** cheapened a couple of pence to 360p despite satisfactory preliminary results. **Provident Life** also dipped 2, to 214p, following trading news.

Companies announcing trading statements provided the main source of interest in the Building sector. **RMC** drifted off a few pence to 205p following preliminary results at the lower end of expectations, while **Aberthaw** eased 3 to 227p after the annual figures. **Benford Concrete**, in contrast, responded to satisfactory preliminary results with a rise of 3 to 48½p. Elsewhere, **F. Copson** encountered further support and put on 4 to 21½p, while **G. M. Callender**, up 8 at 62p, were also favoured; the latter's preliminary figures are due shortly.

Croda International firmed 4 to 45p and the Deferred 3 to 25p, the sharply lower annual profits being outweighed by the maintained dividend.

Stores quiet

Leading Stores drifted lower for want of attention. **Debenhams**, firm of late, gave up 2 to 95p, as did **British Home**, at 154p. Business in secondary issues was enlivened by company trading statements. **Bambers**, 77p, and **Helene of London**, 24p, both added around 2 following their respective annual results. **Waring and Gillow**, however, shed 2 to 170p, while profit-taking left **Martin The Newsagent** 5 lower at 239p. Preliminary profits from **Home Charm** were deemed a shade disappointing and the shares, up to 123p in front of the announcement, closed 2 lower on balance at 120p. **A. G. Stanley** eased 2 to 76p in sympathy, but **Harris Queensway**, annual results due next Wednesday, firmed 3 at 217p.

Still reflecting the group's video prospects, **Thorn** staged a useful revival and put on 8 to 378p, but other leading Electricals finished easier. **GEC** gave up 6 to 677p, while losses of a few pence were marked against **Plessey**, 325p, and **Racal**, 373p. Elsewhere, occasional losses included **Ferranti**, down 17 at 550p in a limited market, and **Unitech**, 8 cheaper at 274p. **Suter** eased 4 to 56p and the Deferred 2 to 47p.

The Engineering sector made a reasonably bright showing, selective demand being encouraged by the improving trend shown in the industrial output figures for February. **Hawker Siddeley**, up 8 at 340p, were relatively active awaiting today's preliminary statement. **GKN** firmed 6 to 166p and **Tubes** 4 to 216p, while **John Brown** closed 3½ dearer at 89½p. Among secondary issues, fresh support lifted **Vosper** 8 to 100p. Still reflecting recent Press mention, **Haden Carrier** advanced 7 more to 305p. **Stothert and Pitt** firmed 6 to 118p, while interest was also shown in **600 Group**, 3 dearer at 81p, and **Babcock International**, 2 to the good at 133p. **NEI** closed 2 harder at 90p following preliminary results in line with expectations, but the disappointing half-yearly statement prompted a reaction of 12 to 263p in **Martonair**, while **Expanded Metals** eased 2 to 59p following the annual results.

Associated Biscuit spurted to 86p on the better-than-expected annual results before settling for a net gain of 5 at 80p; **United Biscuits** firmed a penny to 108p in sympathy. Food leaders were generally subdued. **Associated Dairies** eased 4 to 202p, but **Rowntree Mackintosh** added a couple of pence to 184p. **Tate and Lyle** became a weak market and fell to 162p reflecting the lowest sugar price for over a year; support developed at the lower level, however, and the shares rallied to close only 2 down on balance at 170p. **G. F. Lovell** gave up 2 to 72p in front of today's announcement of the annual results.

Savoy Hotel held at 198p, up 2, following the annual figures.

Bowater volatile

Continuing to be supported on hopes of a bid for its U.S. timber interests, **Bowater** touched a new 1981 peak of 286p before retreating on profit-taking to 275p and closing a net 4 down on the day at 278p. Among other miscellaneous industrial leaders, **Glaxo**, at 336, lost 2 of the previous day's rise of 16 which followed the better-than-expected interim figures. **Metal Box**, however, found support at 202p, up 6. Elsewhere, **Berwick Timpo** rose 6 to 75p on buying in front of today's preliminary results and **Office and Electronic** firmed 10 to 380p on renewed speculative demand. **Smiths Industries** closed 5 dearer at 354p, after 357p, following the half-year results, while **Ingall Industries** hardened a penny to 42p on the increased interim dividend. Hopes of a bid from Capital for Industry, which already owns a near-15 per cent stake, left **Erskine House** up 2½ at 52p, while improvements of between 6 and 10 were seen in **Astbury and Madeley**, 126p, **Davies and Newaman**, 176p, and **Aeronautical and General**, 405p. **Celestion** added 2 at 24½p and **Pentos** 3 at 28p.

Saga Holidays shook off reports of a decline in package tour bookings and rose 8 at 328p. Elsewhere in Leisure issues, support was forthcoming for **Intervision**, 5 up at 64p with the 7 per cent Preference advancing 16 points to £212.

Motor Distributors were featured by **C. D. Bramall**, 14 higher at 106p following the chairman's encouraging statement on current trading which accompanied the annual results. Elsewhere, **ERF** revived with a gain of 3 at 48p while, in Components, **Lucas**, 205p, and **Dowty**, 275p added 3 and 6 respectively. **Flight Refuelling** closed 12 to the good at 347p, but news of the full-year deficit clipped 3 from **Solex (UK)** at 49p.

News International improved 12 to 110p following the interim figures. **Gordon and Gotch** returned to favour and touched 174p before closing 5 up on balance at 170p.

Laing issues lost ground in Properties, the A closing 13 lower at 196p and the ordinary a penny easier at 208p in response to the board's plans to enfranchise the non-voting A shares and make a £20.9m rights issue in Convertible Loan stock. Elsewhere, **Rosehaugh**, still plagued by fund-raising rumours, shed 6 more at 292p, while **Lynton** lost a similar amount to 298p and **New Cavendish** relinquished 10 to 370p. Despite details of the maintained half-yearly dividend and increased profits, **Land Investors** lost the turn at 68p.

Oils better

Leading Oils traded on a quietly firm note, **BP** improving 6 to 384p and **Shell** a few pence to 364p. **Burmah** continued to make headway in front of today's preliminary figures and put on another 5 to 172p, while **Tricentrol** hardened 2 to 266p following the full report. Further consideration of the sale of its 29.9 per cent stake in Petrocon left **NCC** 5 better at 125p.

Among Overseas Traders, **Boustead** met profit-taking and shed 9 at 164p, while **Australian Agricultural** weakened 15 to 145p.

Among Trusts, **Scottish European** firmed 2½ to 45p on the plans to eliminate the discount in the share price on the net asset value. **Akroyd and Smithers** eased 5 to 182p in Financials following the £1.85m debt provision.

Shippings were featured by revived speculation in **Reardon Smith**, up 11 at 178p, and the A, 7 higher at 160p.

Movements of note in Textiles were few, but **Nova Jersey** added 2 more to 71p.

Rothmans International encountered good support awaiting news of the talks with R. J. Reynolds and closed 4½ up at a 1981 peak of 82p.

Lunuva (Ceylon) rose 35 to 440p following the special dividend payment which accompanied the annual results.

Golds rally

South African Golds staged a strong recovery as the bullion price rallied $14 to $485.50 an ounce. Overnight American buying was quickly followed by persistent and widespread demand from the Continent, London and Johannesburg and closing levels were easily the day's best. The Gold Mines index recouped 13.1 to 341.4.

In the heavyweights, **East Driefontein** were outstanding with a rise of £1¼ to £12¾ while gains of around a point were common to **Hartebeest**, £27⅞, **Kloof**, £14½, **Vaal Reefs**, £31, and **Free State Geduld**, £21⅛.

Randfontein gained a like amount to £26¾ ahead of the sharp contraction in profits in the March quarter.

In the medium and lower-priced issues, **Libanon** featured with a gain of 70 to 880p and **East Rand Proprietary** rose 50 to 790p, but **Western Areas** were the subject of sizeable attempted selling from Johannesburg—in front of the heavy fall in profits for the March quarter—and closed unaltered at 271p.

Turnover in **Rio Tinto-Zinc** was disappointing; the shares dipped to 458p immediately following the 1980 results before closing 5 cheaper on balance at 460p. **Tanks** attracted considerable Continental demand amid persistent bid rumours and jumped to a 1981 high of 372p prior to closing a net 7 up at 365p.

Renewed weakness in overnight Sydney and Melbourne markets left Australians showing further minor losses in quiet routine trading.

The problems at the Rundle oil-shale deposit and Monday's news of an official "down-under" inquiry into recent share dealings continued to unsettle **Central Pacific Minerals**, another 10 lower at 120p, and **Southern Pacific Petroleum**, 3 cheaper at 50p.

FINANCIAL TIMES STOCK INDICES

	Apr. 14	Apr. 13	Apr. 10	Apr. 9	Apr. 8	Apr. 7	A year ago
Government Secs.	69.26	69.10	68.68	69.37	69.47	69.39	68.51
Fixed Interest	71.10	71.08	71.17	71.30	71.36	71.47	68.84
Industrial Ord.	548.8	546.6	551.3	549.8	539.4	528.8	437.8
Gold Mines	341.4	328.3	335.5	347.7	339.3	356.1	290.7
Ord. Div. Yield	5.97	5.99	5.96	5.96	6.09	6.23	8.08
Earnings, Yld. %(full)	11.61	11.61	11.55	11.81	12.03	12.31	19.69
P/E Ratio (net) (*)	10.79	10.79	10.85	10.57	10.37	10.14	6.22
Total bargains	22,750	27,147	25,600	27,747	28,191	25,380	18,172
Equity turnover £m.	—	139.54	179.21	217.64	164.2	148.4	84.19
Equity bargains	—	18,547	20,953	23,365	20,749	22,105	10,879

10 am 548.3. 11 am 549.6. Noon 549.4. 1 pm 547.8. 2 pm 547.5. 3 pm 547.6.

Latest Index 01-246 8026.

*Nil=8.97.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

HIGHS AND LOWS

	1981 High	1981 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	70.61 (28/8)	68.05 (16/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	72.01 (20/3)	69.98 (16/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	561.3 (10/4)	446.0 (14/1)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	421.1 (16/1)	281.4 (28/1)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Apr. 13	Apr. 10
—Daily		
Gilt Edged Bargains	192.7	180.1
Equities Bargains	120.2	135.6
Value	280.0	362.2
5-day Avrge.		
Gilt Edged Bargains	188.5	194.1
Equities Bargains	157.0	148.6
Value	342.8	356.5

NEW HIGHS AND LOWS FOR 1981

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1981.

NEW HIGHS (151)

BRITISH FUNDS (1)
AMERICANS (1)
CANADIANS (1)
BANKS (4)
BEERS (1)
BUILDINGS (12)
CHEMICALS (9)
DRAPERY & STORES (7)
ELECTRICALS (6)
ENGINEERING (13)
FOODS (3)
HOTELS (1)
INDUSTRIALS (33)
LEISURE (4)
MOTORS (3)
NEWSPAPERS (2)
PAPER (7)
SHIPPING (1)
SHOES (1)
TEXTILES (7)
TOBACCOS (1)
TRUSTS (25)
OIL & GAS (1)
OVERSEAS TRADERS (1)
RUBBERS (2)
TEAS (2)
MINES (2)

NEW LOWS (22)

AMERICANS (2)
Tenneco 10pc Ln. 1991-95 — Shell Oil
CANADIANS (1)
Hawker Sid. Can.
BANKS (1)
Standard Chartered
STORES (1)
Pawson (W. L.)
ENGINEERING (1)
Stone-Platt
FOODS (1)
Lovell (G. F.)
INDUSTRIALS (2)
P.M.A. (Holdings) — Wheelock Marden A
LEISURE (1)
Glasgow Pavilion
TRUSTS (2)
Hampton Trust — Kwahu
OILS (3)
Edinburgh Secs. — Texaco 4¼pc Conv — Hansa Pet.
OVERSEAS TRADERS (1)
Australian Agric.
MINES (6)
North West Mining — Kamunting — Ayer Hitam — Petaling — Gopeng Cons. — SPO Minerals

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	67	2	29
Corpns. Dom. and Foreign Bonds	—	3	64
Industrials	308	221	841
Financial and Prop.	100	124	268
Oils	13	19	45
Plantations	7	3	13
Mines	58	41	67
Others	13	97	46
Totals	564	510	1,373

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
Assoc. Biscuit	80	+5	RTZ	460	−5
Bowater	278	−4	Rothmans	82	+4½
Bramall (C.D.)	106	+14	Royal Bk. Scot.	168	+6
GEC	677	−6	Smiths Inds.	354	+5
Martonair	263	−12	Tanks. Cons.	365	+7
Metal Box	202	+6	Tate & Lyle	170	−2

MONDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of price changes	Mon's closing price pence	Day's change	Stock	No. of price changes	Mon's closing price pence	Day's change
Bowater	14	282	+13	Shell Trans.	11	362	−2
Burton Grp.	11	136	+3	Ultramar	11	470	−8
Cons Gold Flds	11	465	−13	Horizon Travel	10	260	−14
De Beers Dfd.	11	378	−4	Travis & Arnold	10	170	+8
GEC	11	683	−2	GUS A	9	483	−2
KCA Intl.	11	178	−4	Marks & Sp'cer	9	125	−3
Plessey	11	327	−1	Thorn EMI	9	370	−4

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Apr. 6	Apr. 17	July 9	July 20
Apr. 21	May 1	July 23	Aug. 3
May 11	May 22	Aug. 6	Aug. 17

For rate indications see end of Share Information Service

Options were quiet. Calls were arranged in **Premier Oil**, **Turner and Newall**, **KCA**, **Mount Lyell**, **Charterhall**, **ICL**, **British Land**, **Minster Assets**, **BSG**, **Burmah**, **Cattles**, **Woolworths** and **Wheelock Marden A**. Puts were taken out in **Lucas** and **Cope Allman**, while doubles were transacted in **Premier Oil** and **Dunlop**.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section	Tues., April 14, 1981: Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Mon. April 13 Index No.	Fri. April 10 Index No.	Thurs. April 9 Index No.	Wed. April 8 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (214)	348.69	—	11.03	4.56	11.19	348.65	351.74	347.43	342.07	236.35
2	Building Materials (25)	307.94	−0.2	14.55	5.64	8.28	308.53	310.34	307.70	305.10	231.25
3	Contracting, Construction (28)	576.88	—	16.38	4.69	7.25	576.62	579.36	572.73	563.69	349.19
4	Electricals (28)	1085.25	−0.7	8.03	2.45	15.45	1093.27	1098.70	1096.73	1085.53	623.36
5	Engineering Contractors (11)	478.01	+0.7	11.88	5.41	10.62	474.48	482.78	468.75	455.05	281.66
6	Mechanical Engineering (70)	216.27	+1.1	12.62	5.66	10.03	213.87	216.34	212.57	208.67	158.52
8	Metals and Metal Forming (13)	170.63	+1.1	9.62	7.62	13.77	168.81	172.95	165.52	160.38	160.71
9	Motors (21)	101.70	+0.8	10.25	8.20	12.80	100.90	102.79	101.46	98.38	102.89
10	Other Industrial Materials (18)	371.02	—	11.17	5.53	10.70	371.07	375.21	366.24	358.45	0.00
21	CONSUMER GROUP (196)	272.59	—	13.64	5.75	8.89	272.61	274.90	273.81	269.13	215.44
22	Brewers and Distillers (20)	293.22	—	15.80	6.25	7.51	293.34	296.46	295.46	290.90	265.37
25	Food Manufacturing (21)	252.25	+0.1	15.83	6.25	7.50	251.96	254.31	255.89	250.93	187.47
26	Food Retailing (14)	534.20	−0.7	8.45	3.02	13.97	538.09	542.92	541.13	525.16	295.41
27	Health and Household Products (7)	296.48	+0.4	9.26	4.83	12.79	295.38	293.81	293.20	291.32	190.18
29	Leisure (22)	424.18	+0.8	12.02	5.29	10.07	420.74	423.32	420.26	408.01	288.86
32	Newspapers, Publishing (12)	486.01	−0.5	18.06	6.09	7.24	488.59	494.22	482.95	481.89	414.13
33	Packaging and Paper (14)	155.03	—	18.30	7.54	6.43	153.00	151.38	147.21	142.47	129.66
34	Stores (44)	266.63	−0.5	11.14	4.72	11.75	267.91	271.60	270.80	267.40	217.45
35	Textiles (22)	158.48	+0.2	13.73	8.20	9.88	158.19	159.26	156.11	153.36	121.80
36	Tobaccos (3)	231.02	+0.8	24.60	10.08	4.63	229.17	232.22	231.31	228.75	201.61
39	Other Consumer (17)	286.32	+1.0	8.92	6.70	13.99	283.54	283.57	274.90	270.87	0.00
41	OTHER GROUPS (78)	230.75	+0.2	13.50	6.55	9.13	230.31	231.64	229.62	227.46	198.25
42	Chemicals (15)	277.56	+0.3	11.62	7.49	10.92	276.63	276.86	275.48	274.00	295.43
44	Office Equipment (6)	121.49	+0.7	15.32	6.84	7.74	120.63	121.54	117.44	117.14	109.82
45	Shipping and Transport (13)	626.20	+0.6	13.57	5.92	8.81	622.37	628.24	627.62	617.58	456.32
46	Miscellaneous (44)	295.05	−0.3	15.07	5.68	8.16	295.89	298.66	295.91	292.07	238.39
49	INDUSTRIAL GROUP (488)	292.78	—	12.63	5.40	9.68	292.70	295.12	292.83	288.30	223.22
51	Oils (12)	795.64	+1.1	22.68	7.08	4.93	787.26	791.68	790.66	785.51	718.60
59	500 SHARE INDEX	332.97	+0.2	14.45	5.70	8.25	332.27	334.85	332.65	328.03	262.48
61	FINANCIAL GROUP (118)	256.62	−0.5	—	5.46	—	257.85	262.15	262.17	258.98	195.70
62	Banks (6)	250.07	+0.1	36.81	7.21	3.19	249.84	254.30	254.45	248.06	212.08
63	Discount Houses (10)	301.39	−0.3	—	6.14	—	302.20	303.31	297.64	299.56	222.44
64	Hire Purchase (4)	270.81	−0.1	8.31	4.58	16.65	271.15	269.04	270.84	273.12	203.71
65	Insurance (Life) (10)	266.17	—	—	5.37	—	266.07	270.48	273.19	272.20	176.17
66	Insurance (Composite) (9)	166.01	−1.0	—	7.40	—	167.77	172.56	172.74	169.05	125.30
67	Insurance Brokers (8)	358.55	−0.1	12.70	6.41	10.67	359.03	367.22	368.57	357.15	304.15
68	Merchant Banks (13)	158.34	+0.9	—	4.95	—	156.85	158.00	157.31	155.58	101.37
69	Property (48)	497.21	−0.9	3.05	2.54	45.30	501.77	508.00	506.54	504.68	378.00
70	Miscellaneous (10)	171.18	−1.3	18.34	6.05	6.63	173.48	174.25	176.47	175.36	124.86
71	Investment Trusts (109)	304.85	+0.1	—	5.05	—	304.43	307.41	303.71	300.30	210.38
81	Mining Finance (3)	232.03	−0.6	14.58	5.78	8.14	233.52	240.24	244.84	238.06	184.71
91	Overseas Traders (20)	466.45	−0.3	11.61	6.34	10.56	467.88	469.70	468.91	461.03	387.84
99	ALL-SHARE INDEX (750)	316.75	—	—	5.63	—	316.60	319.75	318.17	313.77	246.47

FIXED INTEREST PRICE INDICES

	British Government	Tues. April 14	Day's change %	Mon. April 13	xd adj. today	xd adj. 1981 to date
1	5 years	109.33	+0.08	109.31	0.08	2.56
2	5-15 years	111.19	+0.17	111.00	—	3.46
3	Over 15 years	114.62	+0.22	114.37	0.50	4.34
4	Irredeemables	128.47	+0.30	128.10	—	1.78
5	All stocks	111.44	+0.16	111.46	0.20	3.40
6	Debentures & Loans	87.50	−0.07	87.56	—	3.66
7	Preference	68.01	+0.01	68.00	—	2.88

FIXED INTEREST YIELDS

	British Govt. Av. Gross Red.		Tues. April 14	Mon. April 13	Year ago (approx.)
1	Low Coupons	5 years	11.60	11.63	12.70
2		15 years	12.17	12.20	12.46
3		25 years	12.25	12.29	12.46
4	Medium Coupons	5 years	13.17	13.20	14.49
5		15 years	13.70	13.73	14.04
6		25 years	13.42	13.43	13.88
7	High Coupons	5 years	13.19	13.21	14.59
8		15 years	13.91	13.93	14.39
9		25 years	13.61	13.65	14.29
10	Irredeemables†		11.67	11.71	11.85
11	Debs & Loans	5 years	14.48	14.47	15.34
12		15 years	14.48	14.47	15.06
13		25 years	14.48	14.47	14.84
14	Preference†		14.42	14.42	15.92

† Flat yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 26½p.

RECENT ISSUES

EQUITIES

Issue Price p:	Amount Paid Up	Latest Renunc. Date	1981 High	1981 Low	Stock	Closing Price p:	+ or −	Div. p or Amount	Times Covered	Gross Yield	P.E. Ratio
[illegible]											

FIXED INTEREST STOCKS

Issue price £	Amount Paid Up	Latest Renunc. Date	1981 High	1981 Low	Stock	Closing Price £	+ or −
[illegible]							

"RIGHTS" OFFERS

Issue Price p:	Amount Paid Up	Latest Renunc. Date	1981 High	1981 Low	Stock	Closing Price p:	+ or −
[illegible]							

Renunciation date usually last day for dealing free of stamp duty. [illegible]

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Craigmount Fixed Int. Mngrs. (Jersey)
P.O. Box 195, St. Helier, Jersey. 0534 27561
Gilt Fund (Jsy.) 96.2 96.3 ... 14.00
Valued weekly Wednesday.

DWS Deutsche Ges. F. Wertpapiersp
Gruneburgweg 113, 6000 Frankfurt
Investa DM32.00 33.70 −0.20 —

Delta Group
P.O. Box 3012, Nassau, Bahamas
Delt. Inv. April 17 $4.63 4.86 ... —

Deutscher Investment-Trust
Postfach 2685 Biebergasse 6-10 6000 Frankfurt
Concentra DM16.78 17.20 −0.11 —
Int. Rentenfonds DM60.28 61.75 +0.50 —

Dreyfus Intercontinental Inv. Fd.
P.O. Box N3712, Nassau, Bahamas.

Hill Samuel Invest. Mgmt. Intnl.
P.O. Box 63, Jersey. 0534 27381
HS Channel Is. Fd. 145.8 155.5 −3.9 3.25
H.S. Fixed Int. Fd. 94.0 99.0 ... 12.50
Box 2622, Berne, Switzerland. Telex 33425.
H.S. Overseas Fd. US$25.27 26.28 −0.10 —
CSF Fd. (Acc.) SF18.94 19.33 +0.12 —
Crossbow Fd. SF6.90 7.02 +0.05 —
ITF Fd. (Acc.) US$13.92 14.18 −0.14 —

N.V. Interbeheer
P.O. Box 526, Delft, Holland
Esmeralda (Offer Pce) DF68.43 — −0.29 2.63

International Pacific Inv. Mgmt. Ltd.
P.O. Box R237, 56, Pitt St., Sydney, Aust.
Javelin Equity Tst. A$4.14 4.26 ... 5.00

Jardine Fleming & Co. Ltd.
46th Floor, Connaught Centre, Hong Kong
Jardine J'pn. Fd. Y2,348 ... 0.7
Do. (Accum.) Y2354 ... —
J.F. Japan Small Co. Y12920 ... —
J.F. Japan Technology Y10103 ... —
Jardine Estn. Tst. HK$868.44 ... 1.30
J. F. Pac. Secs. (Inc.) HK$30.23 ... 0.60
Do. (Accum.) HK$31.44 ... —
Jardine Flem. Int. HK$27.85 ... 0.30
J. F. S.E.A. US$43.05 ... 6.40
Do. (Accum) US$43.30 ... —
J.F. Cur. & Bd. Fd. (Inc.) US$11.82 ... 6.40
Do. (Accum) US$13.16 ... —
Japan & Pacific Cm Tst. US$12.65 ... 5.0
NAV March 31.
London Agents: Robt. Fleming & Co. Tel: 01-283 2400

Leopold Joseph & Sons (Guernsey)
Hirzel Ct., St. Peter Port, Guernsey. 0481-26648.
L.J. Sterling Fund £13.03 13.04 ... —

Kemp-Gee Management, Jersey Ltd.
1 Charing Cross, St. Helier, Jersey 0534 73741
SKG Capital Fund 153.3 158.0 ... —
KG Income Fund 55.3 57.0 ... 9.62
Gilt Bond £1.129 1.189 ... —

Keyser Ullmann Ltd.
25, Milk Street, EC2V 8JE. 01-606 7070
Central Assets £189.49 189.52 +0.23 —

King & Shaxson Mngrs.
1, Charing Cross, St. Helier, Jersey. (0534) 73741
Valley Hse., St. Peter Port, Grnsy. (0481) 24706
1 Thomas Street, Douglas, I.O.M. (0624) 4856

Rothschild Asset Management (C.I.)
P.O. Box 58, St. Julians Ct., Guernsey. 0481 26331
O.C. America Fd.† US$2.72 2.89 ... 0.58
OCSm. Co. 119.4 127.0 ... 2.60
O.C. Commodity* 93.3 99.4 ... 7.36
O.C. Dir. Comdty.† US$46.40 49.36 ... 1.50
O.C. Hong Kg. Fd.† HK$36.36 39.74 ... —
O.C. Sterling Fd.** £13.499 +0.006 —

O.C. International Reserves Limited
Bel. Francs (Fin.) 668.59 — Italian Lira 22.827
Canadian $ 27.125 — Singapore $ 53.720
D-Mark 42.405 — £ Sterling 11.040
Dutch Guilder 42.385 — Swiss Francs 41.205
French Francs 106.725 — U.S. $ 22.030
*Prices on March 31. Next dealing April 14. †Prices on April 7. Next dealing April 21. **Daily dealings. ***April 15.

Rothschild Asset Mgt. (Bermuda)
P.O. Box 664, Bk. of Bermuda Bld., Bermuda
Reserve Assets Fd. US$9.03 9.24 ... —
Prices on Mar. 30. Next dealing April 7.

Save & Prosper International
Dealing to
P.O. Box 73, St. Helier, Jersey 0534 73933
Fixed Interest Funds
Deutschmark Bd. DM8.71 9.26 ... 5.95
Dlr. Fxd. Int. US$7.93 8.44 ... 8.89
St. Fixed 108.6 114.9 ... 12.18
Yen Bond Y1,162 1,224 ... 4.08
Equity Funds
Channel Capital 90.8 95.6 −0.6 2.18
Internatl. Gr. US$12.65 13.78 −0.16 —
Far Eastern US$19.18 20.74 ... —
North American US$7.49 8.10 +0.10 —
Sepro US$20.22 21.86 ... —
Trust Channel I.S. 84.8 89.3 −0.5 5.10
Commodity Funds
Commodity 110.2 116.3 ... —
Deposit Funds
St. Deposit 136.8 136.9 ... 0.18
*Prices on April 13. **April 13. ***April 10. ****April 9. ‡Weekly dealings. †Daily dealings.

Schroder Life Group
Enterprise House, Portsmouth. 0705 27733
International Funds
£ Equity 122.9 130.7 ... —
$ Equity US$2.489 2.647 ... —
£ Fixed Interest 184.5 196.2 ... —
$ Fixed Interest US$1.296 1.378 ... —
£ Managed 156.0 165.9 ... —
$ Managed US$1.917 2.039 ... —

[illegible]

هكذا من الأصل

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Abbey Unit Tst. Mngrs. (a)

Allen Harvey & Ross Unit Tst. Mngrs.

Allied Hambro Ltd. (a) (g)

Anderson Unit Trust Managers Ltd.

Ansbacher Unit Mgmt. Co. Ltd.

Anthony Wieler Unit Tst. Mgmt. Ltd.

Arbuthnot Securities Ltd. (a)(c)

Archway Unit Tst. Mgs. Ltd.♥ (a)(c)

Barclays Unicorn Ltd. (a)(c)(g)

Baring Brothers & Co. Ltd.♥ (a)(x)

Bishopsgate Progressive Mgmt. Co.♥

Bridge Fund Managers (a)(c)

Britannia Gp. of Unit Trusts Ltd.(a)(c)(g)

The British Life Office Ltd.♥ (a)

Brown Shipley & Co. Ltd.♥(a)(g)

Buckmaster Management Co. Ltd.

Canada Life Unit Trst. Mngrs. Ltd.

Capel (James) Mngt. Ltd.

Carr, Sebag Unit Trust Managers(a)

Charities Official Invest. Fund♥

Chieftain Trust Managers Ltd.♥ (a)(g)

Charterhouse Fund Managers(g)

Confederation Funds Mgt. Ltd. (a)

Craigmount Unit Tst. Mgrs. Ltd.

Crescent Unit Tst. Mgrs. Ltd. (a)(g)

Dartington Unit Trust Mngt. Ltd.

Discretionary Unit Fund Managers

E. F. Winchester Fund Mngt. Ltd.

Equity & Law Un. Tr. M.♥ (a)(b)(c)

Fidelity International Management Ltd.

James Finlay Unit Trust Mngt. Ltd.

Framlington Unit Mgt. Ltd. (a)

Robert Fraser Trust Mgt. Ltd.

Friends' Provdt. Trust Mgrs. (a) (b) (c)

Funds in Court*

G.T. Unit Managers Ltd.♥

G. & A. Trust (a) (g)

Gartmore Fund Managers♥ (a)(g)

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)

Govett (John)

Grieveson Management Co. Ltd.

Guardian Royal Ex. Unit Mgrs. Ltd.

Henderson Administration (a) (b) (c)

Hill Samuel Unit Tst. Mgrs.† (a)

Investment Intelligence Ltd. (a)

Key Fund Managers Ltd. (a)(g)

Kleinwort Benson Unit Managers♥

L & C Unit Trust Management Ltd.♥

Legal & General (Unit Tst. Mngrs.) Ltd.♥

Leonine Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd.♥ (a)

Lloyd's Life Unit Tst. Mngrs. Ltd.

Local Authorities' Mutual Invest. Tst.*

M & G Group (y)(c)(z)

ManuLife Management Ltd.

Mayflower Management Co. Ltd.

Mercury Fund Managers Ltd.

Midland Bank Group Unit Trust Managers Ltd.♥ (a)

Minster Fund Managers Ltd.

MLA Unit Trust Mngmnt. Ltd.

Murray Johnstone U.T. Mgmt.♥ (a)

Mutual Unit Trust Managers♥ (a)(g)

National Provident Inv. Mngrs. Ltd.♥

National Westminster♥ (a)

NEL Trust Managers Ltd.♥ (a)

Northgate Unit Trust Managers Ltd. (c)(y)

Norwich Union Insurance Group (b)

Pearl Trust Managers Ltd. (a)(g)(z)

Pelican Units Admin. Ltd. (g)(x)

Perpetual Unit Trust Mngmt.♥ (a)

Practical Invest. Co. Ltd. (y)(c)

Provincial Life Inv. Co. Ltd.♥

Prudl. Portfolio Mngrs. Ltd.♥ (a)(b)(c)

Quilter Management Co. Ltd.♥

Reliance Unit Mgrs. Ltd.♥

Ridgefield Management Ltd.

Rothschild Asset Management (g) (a)

Rowan Unit Trust Mngt. Ltd.♥ (a)

Royal Tst. Can. Fd. Mgrs. Ltd.

Save & Prosper Group

Schroder Unit Trust Managers Ltd.

Scottish Amicable Inv. Mngrs. Ltd.

Scottish Equitable Fnd. Mgrs. Ltd.♥

Security Selection Ltd.

SIMCO Money Funds

Stewart Unit Tst. Managers Ltd.(a)

Sun Alliance Fund Mangmt. Ltd.

Target Tst. Mngrs. Ltd.♥ (a) (g)

Tower Unit Trust Mngt. Ltd.

Trades Union Unit Tst. Managers♥

Transatlantic and Gen. Secs. Co. (y)

TSB Unit Trusts (y)

Ulster Bank♥ (a)

Unit Trust Account & Mgmt. Ltd.

Tyndall Managers Ltd.(a)(b)(c)

Wieler Growth Fund

INSURANCE PROPERTY BONDS

Abbey Life Assurance Co. Ltd.

Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.

Barclays Life Assur. Co. Ltd.

Black Horse Life Ass. Co. Ltd.

Canada Life Assurance Co. Ltd.

Cannon Assurance Ltd.

Capital Life Assurance♥

Charterhouse Magna Gp.♥

Chieftain Assurance Funds

City of Westminster Assurance

Commercial Union Group

Confederation Life Insurance Co.

Cornhill Insurance Co. Ltd.

Credit & Commerce Insurance

Crown Life

Crusader Insurance Co. Ltd.

Eagle Star Insur./Midland Assur.

Equity & Law Life Ass. Soc. Ltd.

Equity & Law (Managed Funds) Ltd.

Family Assurance Society

Assicurazioni GENERALI S.p.A.

General Portfolio Life Ins. C. Ltd.♥

Growth & Sec. Life Ass. Soc. Ltd.♥

Guardian Royal Exchange

Hambro Life Assurance Limited

Hearts of Oak Benefit Society

Henderson Administration

Hill Samuel Life Assur. Ltd.♥

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

King & Shaxson Ltd.

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.♥

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London Indemnity & Gnl. Ins. Co. Ltd.

London Life Linked Assur. Ltd.

The London & Manchester Ass. Gp.♥

M & G Group♥

Manufacturers Life Insurance Co.

Merchant Investors Assurance♥

MIL Pensions Ltd.

MPI Pensions Management Ltd.

New Zealand Ins. Co. (UK) Ltd.♥

Norwich Union Insurance Group♥

Phoenix Assurance Co. Ltd.

Planned Savings Group

Prop. Equity & Life Ass. Co.♥

Property Growth Assur. Co. Ltd.♥

Providence Capital Life Assc. Co. Ltd.

Provincial Life Assurance Co. Ltd.

Prudential Pensions Limited♥

Reliance Mutual

Rothschild Asset Management

Royal Insurance Group

Save & Prosper Group♥

Schroder Life Group♥

Scottish Amicable Investments

Scottish Widows' Group

Skandia Life Assurance Co. Ltd.

Standard Life Assurance Company♥

Sun Alliance Insurance Group

Sun Life of Canada (UK) Ltd.

Sun Life Unit Assurance Ltd.

Sun Life Pensions Management Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.♥

Tyndall Assurance/Pensions(a)(b)(c)

Vanbrugh Life Assurance♥

Vanbrugh Pensions Limited

Welfare Insurance Co. Ltd.♥

Windsor Life Assur. Co. Ltd.

OFFSHORE & OVERSEAS FUNDS

Albany Fund Management Limited

Alexander Fund

Allen Harvey & Ross Inv. Mgt. (C.I.)

Alliance International Dollar Reserves

Arbuthnot Securities (C.I.) Limited

B.I.A. Bond Investments AG

Bank of America International S.A.

Banque Bruxelles Lambert

Barbican Managers (Jersey) Ltd.

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bridge Management Ltd.

Britannia Intl. Investment Mngmt. Ltd.

Brown Shipley Tst. Co. (Jersey) Ltd.

Butterfield Management Co. Ltd.

CAL Investments (IoM) Ltd.

Candirex S.A.

Capital Asset Managers Ltd.

Capital International Fund S.A.

Charterhouse Japhet

Clive Investments (Jersey) Ltd.

Cornhill Ins. (Guernsey) Ltd.

Cortexa International

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1981 High	1981 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
99 7/16	97 3/4	Exch. 8¼pc 1981	99 7/16	......	8.29	11.44
99 3/16	97¼	Exch. 9½pc 1981	99 3/16	+ 1/16	9.57	11.76
97	93¾	Exch. 3pc 1981	97	......	3.09	11.90
99 3/4	99⅛	Treas. Variable '81	99¾xd	......	13.46	12.57
100 3/16	99¼	Exch. 12¼pc 1981‡‡	100 3/16	......	12.71	12.10
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Continued

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

هكذا من الأصل

INDUSTRIALS—Continued

INSURANCE—Continued

LEISURE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—Continued

Australian

Tins

Copper

Miscellaneous

55	40	Barymin	48	-5	—	—	—
15½	14	Burma Mines 10p	14½	......	0.75	♦	7.4
315	180	Colby Res. Corp.	265	......	—	—	—
255	200	Cons. Murch. 10c.	230	......	Q30c	1.8	7.5
98	75	††Hemerdon 10c.	87	-5	—	—	—
180	135	Highwood Res.	155	......	—	—	—
400	300	Northgate C$1	340	-10	—	—	—
487	372	R.T.Z.	460	-5	t16.0	3.2	5.0
£111½	£93½	Do.9½%Cn.Ln.95-2000	£109	-1	Q9½%	—	f9.1
143	122	††SPO Minerals 10p	122	-1	—	—	—
47	33	Sabina Inds. C$1	37	-3	—	—	—
38	28	††SWCM 10p	30	......	—	—	—
550	465	Tara Exptn. $1	520	+30	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ✱ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a); not listed on any Stock Exchange and not subject to any listing requirements.
- †‡ Dealt in under Rule 163(5).
- ⌗ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ¶ Excluding a final dividend declaration.
- ** Regional price.
- || No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. ★★ Available only to UK pension schemes and insurance companies engaged in pension business. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. x Prospective real rate of return. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1980-81. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

			IRISH		
Albany Inv. 20p	42	......	Conv. 9% '80/82	£93⅞	......
Berlam	13½	......	Nat. 9¾% 84/89	£75¼	......
Bdg'wtr. Est. 50p	505	......	Fin. 13% 97/02	£80½	+½
Craig & Rose £1	£11¼	......	Alliance Gas	78	......
Fife Forge	56	......	Arnott	245	......
Finlay Pkg. 5p	22	......	Carroll (P.J.)	87	......
Graig Ship. £1	£20	......	Concrete Prods.	92	......
Higsons Brew	73	......	Heiton (Hldgs.)	27	......
Holt (Jos) 25p	415	......	Ins. Corp.	395	......
I.O.M. Stm. £1	157	......	Irish Ropes	50	......
Pearce (C. H.)	950	......	Jacob	42xd	......
Peel Hldgs.	100	......	T.M.G.	23	+½
Sheff. Refrshmt.	107	......	Unidare	88	......
Sindall (Wm.)	170	......			

OPTIONS

3-month Call Rates

Industrials		House of Fraser	14	Utd. Drapery	6½
A. Brew	6½	I.C.I.	20	Vickers	15
BOC Intl.	11	"Imps"	7	Woolworths	5
B.S.R.	4½	I.C.L.	6		
Babcock	11	Ladbroke	30	**Property**	
Barclays Bank	36	Legal & Gen.	20	Brit. Land	8
Beecham	15	Lex Service	10	Cap. Counties	11
Blue Circle	35	Lloyds Bank	28	Land Secs.	37
Boots	20	"Lofs"	4½	MEPC	20
Bowaters	24	London Brick	7	Peachey	15
Brit. Aerospace	14	Lucas Inds.	18	Samuel Props.	13
B.A.T.	25	"Mams"	20	Town & City	2¼
Brown (J.)	7	Mrks. & Spncr	9		
Burton Ord.	12	Midland Bank	26	**Oils**	
Cadburys	7½	N.E.I.	7	Brit. Petroleum	36
Courtaulds	6	Nat. West. Bank	32	Burmah Oil	16
Debenhams	8	P & O Dfd.	13	Charterhall	9
Distillers	17	Plessey	30	KCA	22
Dunlop	7½	Racal Elect.	34	Premier	18
Eagle Star	22	R.H.M.	5	Shell	34
F.N.F.C.	3½	Rank Org. Ord.	18	Tricentrol	30
Gen. Accident	30	Reed Intnl.	20	Ultramar	44
Gen. Electric	60	Sears	5		
Glaxo	28	Tesco	5½	**Mines**	
Grand Met.	14	Thorn EMI	30		
G.U.S. 'A'	44	Trust Houses	18	Charter Cons.	22
Guardian	32	Tube Invest.	18	Cons. Gold	45
G.K.N.	16	Turner & Newall	10	Lonrho	9
Hawker Sidd.	25	Unilever	50	Rio T. Zinc	45

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 30

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

FINANCIAL TIMES
Wednesday April 15 1981

CBI embarks on urgent search for new president

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

AN URGENT HUNT has been started by the leaders of the Confederation of British Industry to find a senior industrialist with enough public standing and spare time to become their next president.

Three front-runners for the job have turned the post down because of pressure of work, and the organisation now faces the embarrassing possibility of not being able to announce its president-designate at its annual general meeting in five weeks' time.

But it still hopes to find a candidate before its annual dinner is held in mid-June when the Prime Minister will be the chief guest and speaker.

The existing president is Sir Ray Pennock, chairman of BICC, who still has another 12 months of his two-year term to serve. But it has become the habit in recent years to announce the successor a year early with the title of deputy president.

Problems, due to the recession, have made it difficult to find a candidate who can spare the necessary four or five days a week.

The three who have refused are Sir Adrian Cadbury, chairman of Cadbury Schweppes, Sir Alex Jarratt, chairman of Reed International, and Sir Campbell Fraser, chairman of Dunlop Holdings.

All three have been chairmen of senior CBI committees and could be candidates again in two years' time. They were picked out two or three years ago when the late Sir John Methven, then director general, decided that future presidents should be groomed for the job.

Two other potential candidates are also not available. They are Mr. Ronnie Utiger, chairman of British Aluminium and head of the economic policy committee; and Mr. James Cleminson, chairman of Reckitt and Colman, who leads the economic situation committee.

Sir John Methven's grooming process has therefore failed. The CBI is now having to fall back on its former system of searching for an industrialist who, though maybe not active on the top committees, has experience of public life.

Sir Ray Pennock and Sir Terence Beckett, CBI director-general, are in charge of the hunt but have yet to discuss possible candidates with other leading industrialists. Sir Terence, former chairman of Ford UK, could himself have been a candidate if he had not joined the CBI on a full-time basis last year.

No front-runner has yet emerged. Names discussed informally around the CBI's Centre Point headquarters include: Lord Caldecote, chairman of Delta Metal; and Lord Carr, the former Conservative Home Secretary, who is chairman of Prudential Assurance. But neither of them has been approached or is likely to be available. There are likely to be more informal talks before today's meeting of the CBI council.

Space shuttle makes a perfect return to Earth

BY DAVID LASCELLES AT EDWARDS AIR FORCE BASE, CALIFORNIA

THE U.S. space shuttle Columbia made a triumphant return to earth with a perfect landing after a 54-hour flight which effectively re-established the U.S. lead in space. The postponed launch of the mission was the only hitch in an otherwise perfect operation.

The white and black orbiter, escorted by Air Force jets, appeared out of a cloudless blue sky and touched down, right on time, on a five-mile runway marked on the mud bottom of the huge Rogers dry lake. It rolled to a halt in a cloud of dust and was quickly surrounded by a fleet of recovery vehicles who tested it for toxic gases and purged the fuel tanks.

The initial inspection showed no outward signs of damage to the spacecraft.

Astronauts John Young and Bob Crippen were apparently fit and well after their 37 orbit journey which set a number of new space records, including the first softreturn by a reusable space ship.

The successful landing ended a tense hour in which the 80 tonne orbiter performed its intricate and dangerous re-entry manoeuvre. A burst from its retro-rockets over the Indian Ocean kicked it out of orbit and sent it plunging ("like a stone," according to NASA) down into the earth's atmosphere.

The ceramic heat shield took the brunt of the heat generated by the friction, more than 2,000 degrees fahrenheit, and apparently performed successfully despite the loss of about 15 tiles on the tail assembly early in the mission.

The shield will be closely scrutinised by NASA for signs of damage.

The orbiter will be examined and cleaned up here for a couple of weeks before being flown piggy-back on a jumbo jet back to Cape Canaveral in Florida for its next launch, tentatively scheduled for late summer or early autumn.

Commons committee calls for Concorde losses to be cut

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

AN INDEPENDENT review of the continuing costs of Concorde up to 1990 and beyond is urged by the Commons Industry and Trade Committee.

In the light of this study, the Government should be ready either to take steps to cut these costs to the taxpayer, or enter "discussions with all interested parties to ensure a speedy agreement to discontinue the operation of the aircraft at the earliest possible date."

The committee's hostility to Concorde stems from the fact that, after spendng £900m on it so far, "the programme still involves the expenditure of substantial sums of public money, estimated by the Department of Industry at over £123m in the five years beginning 1980-81."

When other aspects of public expenditure have been subjected to cuts, "we find it remarkable that the Concorde project appears to have been immune," the committee says.

It adds that it was left "with an uneasy feeling that the inherent difficulty of the multiplicity of contracts, the number of interested parties and the participation of two sovereign states had meant that the project had acquired a life of its own and was out of control."

The committee is highly critical of the information given to it by the Department of Industry, British Airways, and the aerospace industry.

It says the assumptions of the department in its estimates of future spending "are questionable, and the figures based on them have been adjusted frequently.

"We suspected that in the forecasts, the department has consistently played down expenditure and played up income from continuation, while taking a consistently gloomy view of the costs of cancellation.

"For these and other reasons we do not accept the department's conclusion that its calculations are biased 'on the side of caution rather than optimism.' In our view, the opposite is more likely to be true."

The committee is dissatisfied with the evidence supplied by the department because "no real attempt had been made within the Government to appraise all the costs and benefits of continuing or cancelling.

Finance is required to support Concorde through continued fatigue testing and the provision of spares for the 14 aircraft in service. Such support, it is argued, will be necessary as long as Concorde remained in service.

The committee believes this work should not be subsidised by the taxpayer, and should be undertaken by the contractors only if the operators pay for it.

Because of the difficulties of getting detailed information, the committee advises the Government to set up an inquiry by independent consultants.

The committee is also critical of the arrangements under which more than half of the costs of the programme has been borne by the UK. It urges the Government to make renewed efforts "to secure equal sharing with France of costs incurred to date."

British Airways said last night that it remained "enthusiastic" about Concorde, "and so are its customers, especially businessmen worldwide for whom it has revolutionised Atlantic travel.

"We plan to go on operating it to New York and Washington, and to seek opportunities for new supersonic routes."

Concorde: Second Report from the Industry and Trade Committee, 1980-81, House of Commons Paper 265, SO, £6.30.

Future in doubt, Page 7

Renault in Dodge truck deal

BY TERRY DODSWORTH IN PARIS

RENAULT, THE French State-owned motor manufacturer, yesterday acquired effective control of virtually all the country's commercial vehicle industry through a deal bringing together its truck subsidiary Renault Vehicules Industriels (RVI) and Dodge Trucks, owned by Peugeot.

RVI is to take a 50 per cent stake in Dodge for between FFr 120m and FFr 150m (£11m-£13.5m). Part of this may eventually be paid indirectly by the French Government.

Dodge is the commercial vehicle subsidiary of Talbot, the former European Chrysler interests bought by Peugeot and renamed in 1978.

M. Francois Zanotti, RVI chairman, announced the agreement and said it was intended to develop the two Dodge manufacturing activities based in the UK and Spain. "We want to be good citizens in Britain."

Neither he nor M. Jean Boillot, Automobiles Peugeot chairman, would be drawn on the extent of the reorganisation and the consequences for employment. Both stressed that Dodge had a better chance of survival alongside what M. Boillot called a "strong and motivated partner.

"This is not a disengagement. We want to stay in the UK motor industry."

Market shares of Renault Vehicules Industriels and Dodge in European countries in 1980 (trucks over 3½ tonnes)

	Renault	Dodge
W. Europe	9	3.5
Great Britain	1	10
France	44	1
Spain	—	26

The deal is seen by some in France as a convenient, if complicated, way of directing fresh State funds into Peugeot, which lost about FFr 2bn (£180m) last year.

RVI which made profits of only FFr 18m last year, intends to finance its share purchases and investments in Dodge through borrowings and capital increases. It has already called on its parent company for further funds. Renault receives regular capital injections from the Government, which will have been consulted on a deal of this importance.

The final amount Peugeot receives for Dodge depends on an accountants' report. M. Boillot said it was not yet clear whether the trucks division was making money because its activities were intermingled with the rest of the Talbot business. The two partners have agreed that the assets to be made over to the two 50-50 companies to be set up in the UK and Spain will exclude property and some fixed capital.

RVI is to be in day-to-day management control of the two production units.

The two groups' combined production was 63,000 units of more than 3.5 tonnes last year, placing it third in Europe behind Daimler-Benz of West Germany and Iveco of Italy.

Marriage of convenience, Page 24

Western Union files anti-trust suit

BY PAUL BETTS IN NEW YORK

WESTERN UNION, the big U.S. telecommunications company, has field an anti-trust suit against International Telegraph and Telephone (ITT), RCA and Xerox subsidiaries, charging them with unfair competition in the telex and telegraph business.

Western Union alleges that the three subsidiaries "acting jointly and individually" have "foreclosed effective competition in the telex and telegraph industries."

It also accuses the three companies of subsidising some domestic services by their "illegally inflated profits from international operations." It claims the three companies provided customers with terminal equipment and connecting lines at prices below their real costs.

Western Union said it was seeking treble damages but made no specific dollar claim.

The suit is the latest episode in a two-year battle in the U.S. telex and telegraph market. For years a number of companies had a legal monopoly on international telegraph service. But with moves to deregulate the industry these international operators, including the three companies named in the suit, have turned their attention to the domestic market at Western Union's expense.

Western Union, which has mainly operated on the domestic market, has tried to enter the international business through foreign based subsidiaries. But so far its international U.S. competitors have prevented this.

Western Union, noting that its competitors were continuing to seek a ban on the company's entry into the international market, said yesterday: "What we want, and hope to achieve, is the chance to engage in open and vigorous competition in the communications market place."

Civil servants

Continued from Page 1

policy "no-one can go to arbitration."

Today's statement now seems likely not to include any small concession to draw the union's back into negotiations.

Mrs. Thatcher was congratulated in the Commons for bringing in the Navy on the Clyde. She said that the defence of the country must not be put at risk by the action of a small minority of people.

Mr. John Nott, the Secretary for Defence, reinforced her view, and said that the strike at the Polaris base could "in no circumstances whatsoever" be allowed to weaken Britain's defences.

Conservative MPs described the union's action as "intolerable," but some Labour MPs said that the decision to use the Navy at the Faslane Polaris base on the Clyde was "disgraceful."

Union leaders acknowledged that the use of servicemen to break the strike was probably a watershed in the five-week-old dispute.

HMS Resolution itself, after being loaded by the Navy with torpedoes brought round by the barge HMS Wakeful from the Coulport armaments depot late on Monday night, seems likely to leave the base within the next two or three days.

Local union officials raised the prospect of action affecting the next Polaris submarine due in, and the CCSU pulled out on selective strike all 1,050 civil servants working at the Clydeside bases.

The unions had said a Feltham electronics comapny—Gresham Lion—had helped re-arm the Resolution's nuclear missiles, but the company last night issued a statement denying that it had been involved.

The unions also reported that MoD messengers at a defence establishment at Mill Hill had been warned locally that if they joined the strike the Army might be brought in to do their normal work.

Poland's farmers

Continued from Page 1

level of supplies available in official outlets.

Food rationing is to be extended on May 1. Meat and butter are now rationed. Future rationing will include flour; cereals and rice and remain in force until December 31.

David Satter writes from Moscow: As Warsaw Pact troops returned to their garrisons, the Soviet Union was careful to point out that the Polish military was on the alert.

Krasnaya Zvezda, the Soviet armed forces newspaper, said yesterday that the Polish armed forces were ready, in the present difficult times, to fulfil their "internationalist" military duty in defence of socialism.

In a plain gesture of confidence in the loyalty of the Polish army, the paper said that Polish soldiers now faced a "difficult and special responsibility."

Anti-socialist forces had "launched an offensive" against the Polish Communist Party.

Bank staffs may spread disruption

By Nick Garnett, Labour Staff

DISRUPTIVE action by the Banking, Insurance and Finance Union against the English clearers' 10 per cent pay offer was set to spread further yesterday after a decision to hit Midland Bank's computer operations.

This would follow the one-day stoppage planned at a large number of bank branches and cash centres around the country which is due to take place next Wednesday. Support for this action followed by an overtime ban and work-to-rule is said to be "mushrooming."

Data processing staff at Midland's computer centres will be balloted next week on industrial action to be mounted before the end of the month.

Mr. Hedley Woods, a BIFU assistant secretary, said last night that he expected "a positive result in favour of industrial action."

The action would involve one or more stoppages though not necessarily of 24 hours' duration, Mr. Woods said. That was the length of previous stoppages at Lloyds' and Barclays' computer centres.

Midland has become a prime target for action because of the decision of the clearers collectively to implement the 10 per cent rise.

It followed an agreement by the non-TUC-affiliated Clearing Bank Union to accept the offer. The CBU is not, however, recognised by the Midland

BIFU is expected to mount its campaign in the bank partly on the issue of the union's right to negotiate for its own members.

A work to rule, overtime ban and policy of non-cooperation will begin next Thursday in the Joint Credit Card Company in Southend, which controls the banks' Access operations and which has become embroiled in the dispute.

Weather

London, S. England, the Midlands, N. England, N. Wales, Ulster
Dry with sunny intervals and light wind. Max. 14C (59F).

S.E. England, E. Anglia N.E. England
Mainly dry with sunny intervals and easterly wind.

S.W. England, Channel Isles, S. Wales
Cloudy with occasional rain.

E. Scotland
Mainly dry with sunny intervals. Max. 10C (50F).

W. Scotland, the Highlands
Dry with sunny periods

Outlook: Mostly dry with sunny intervals

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	20	68	L. Ang.†	C	13	55
Algiers	R	17	63	Luxmbg.	S	19	66
Amsdm.	S	13	55	Luxor	S	34	93
Athens	S	20	68	Madrid	F	16	61
Bahrain	S	26	79	Majorca	C	15	59
Barclna.	C	14	57	Malaga	F	19	66
Beirut	S	19	66	Malta	S	19	66
Belfast	C	9	48	M'chstr.	F	11	52
Berlin	S	14	57	Melbne.	F	19	66
Belgrd.	S	24	75	Mx. C.†		—	—
Biarritz	F	17	63	Miami†	S	23	73
Bmghm.	S	12	54	Milan	S	23	73
Blackpl.	S	13	55	Montrl.†	C	7	45
Bordx.	R	15	59	Moscow	Sn	3	37
Boulgn.	F	13	55	Munich	S	18	64
Bristol	S	12	54	Nairobi	R	23	73
Brussels	S	17	63	Naples	S	20	68
Budpst.	S	22	72	Nassau		—	—
Cairo	F	28	82	Nwcstl.	F	9	48
Cardiff	F	12	54	N York†	R	7	45
Cas'b'ca	F	18	64	Nice	S	19	66
Cape T.	S	27	81	Nicosia	S	20	68
Chicg.†	C	9	48	Oporto	R	15	59
Cologne	S	19	66	Oslo	S	17	63
Cpnhgn.	S	14	57	Paris	S	21	70
Corfu	S	22	72	Perth	F	24	75
Denver†	C	7	45	Prague	S	15	59
Dublin	R	8	46	Reykjvk.	C	8	46
Dbrvnk.	S	18	64	Rhodes	R	17	63
Ednbgh.	F	7	45	Rio J'o†		—	—
Faro	S	18	64	Rome	S	21	70
Florence	S	24	75	Salzbrg.	F	19	66
Frankft.	S	18	64	S F'cisc†		—	—
Funchal	C	18	64	S. Moritz		—	—
Geneva	S	19	66	Singapr.	T	26	79
Gibraltar	S	20	68	S'tiago†		—	—
Glasgow	S	10	50	Stckhm.	S	12	54
G'nsey	R	10	50	Strasbg.	F	20	68
Helsinki	C	3	37	Sydney	F	23	73
H. Kong	R	23	73	Tangier	S	21	70
Innsbrk.	S	20	68	Tel Aviv	F	19	66
Invrnss.	S	9	48	Tenerife	F	14	57
I.o.Man	C	9	48	Tokyo	F	16	61
Istanbul	S	14	57	T'ronto†		—	—
Jersey	C	11	52	Tunis	F	20	68
Jo'burg	F	25	77	Valencia	C	19	66
L. Plms.	C	19	66	Venice	S	22	72
Lisbon	C	16	61	Vienna	S	17	63
Locarno	S	21	70	Warsaw	S	10	50
London	S	14	57	Zurich	S	20	68

C—Cloudy. F—Fair. R—Rain. S—Sunny. Sn—Snow. T—Thunder.
† Noon GMT temperatures.

THE LEX COLUMN

Waiting for the upturn at RTZ

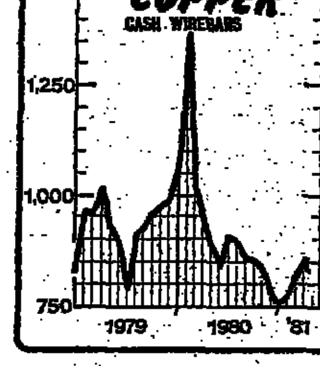
Although RTZ has raised pre-tax profits from £452.7m to £507m for 1980 its more recent performance inevitably shows the scars of weakening metal prices; second half earnings per share fell to 26p against 35.6p achieved for January-June. The dividend is raised only modestly from 15p to 16p—taking the yield to 5.1 per cent at 460p—and there is a predictable warning that profits in the first half of 1981 are likely to fall short of those in the comparable period when the copper price surged and precious metal prices were freakishly high.

On the positive side, however, most base metal prices have rallied from the lowest levels of a few months ago, and RTZ points to the generally modest size of traders' and users' stocks. So there are reasonable grounds for hoping that earnings will start to move ahead again in the second half of the year.

Meanwhile the group's balance sheet is in good shape after last year's convertible issue: in all, debt is up some £50m but the balance sheet will show lower gearing. On the exploration side RTZ has stepped up its hunt for gold in places like Australia and Canada; the next big development project could be the Cerro Colorado copper prospect in Panama, potentially in the same league as Bougainville, though active work will not begin for at least two years.

But the major question for the share price, of course, is whether an oil giant will put RTZ on its shopping list. Here RTZ will only say that there have been no approaches so far, and that the price will have to be high.

Index rose 2.2 to 548.8



Northern Eng.

Northern Engineering's 1980 profits are up from £18.1m to £26m — compared with £30.5m two years ago — and the outlook for 1981 and beyond looks reasonably bright. The order intake last year rose by 46 per cent before taking account of the boilers for the UK's two new nuclear power stations, which are worth well over £200m. The group is spending heavily on fixed assets, particularly on the turbine business where it claims to be closing in on the Japanese in competitive terms. Yet its debt:equity ratio, already conservative, has improved a little over the year.

All this is fully reflected in the share price, which is two-fifths above the low point for the year at 90p. The latest performance mainly reflects loss reduction at the Reyrolle switchgear business, worth maybe £4m, and expansion in South Africa and the U.S., where there have been some sizeable acquisitions. Historic cost profits in the second half were little higher than in 1977, since then the equity capital has been increased by nearly a third. Current cost profits, reported for the first time, are just £11.4m pre-tax which does not leave much cover for the dividend yield of 6.1 per cent.

Savoy Hotel

With revenue growth slowing to just 2 per cent in the second half of 1980 for the Savoy group, the favourable seasonal effect was wiped out and the full year's loss of £1.79m pre-tax is more than double that of the first six months. The number of overseas visitors slumped, and the Savoy itself is blamed for the overall loss — while Claridge's, the Berkeley and the Connaught apparently stayed in profit.

The group now recognises that it cannot fill the Savoy, and is selling off part of the hotel, reducing it to 201 bedrooms with capacity to sleep 339 people. And there are said to be signs that the trading climate will improve markedly from Easter onwards. But on its recent showing the Savoy group will find it hard to justify continued independence — even if Trusthouse Forte gets bogged down in its legal action.

Bank of Scotland

Bank of Scotland's share price has been chased up recently by speculative interest following the battle for Royal Bank. But Barclays' 35 per cent stake is powerful armour against an outside bid and there is no apparent reason for Barclays itself to change its relationship after 10 years. In fact Bank of Scotland's pre-tax profits advance of 6.7 per cent to £43.3m announced yesterday represents the best performance of the clearers, narrowly ahead of Lloyds. But with the shares higher than pure trading grounds would suggest—temporarily at least—even a 17 per cent increase in the total dividend failed to budge the price from 340p yesterday, where the yield is about 7½ per cent.

The key reason for the good performance has been the relatively modest increase in charges for bad debt provisions—which have been doubled to £11m (other clearers have pushed up charges by four times and more). The greater exposure to finance house business has been a minus, with the contribution from North West Securities falling from £8m to £5.4m. With interest rates falling, however, North West should prove a useful cushion this year.

Laing Properties

Laing Properties has more ideas for property development than money. It does not want to sell investment properties to raise cash, or to borrow heavily at present interest rates — particularly in the U.S. — and it certainly does not want to stand still. So although the shares are at a discount of a quarter to net asset backing, shareholders are being asked to subscribe to a rights issue of convertible loan stock. To judge from the reaction yesterday, nobody seems to mind putting up new money for assets that the equity market will promptly write down.

One good thing to come out of the move is the enfranchisement of the "A" shares, presumably because otherwise the institutions would not support the issue. The ordinary shares have received a 1-for-15 scrip by way of compensation, and after some shuffling of paper the Laing family and trusts will end up with just half the shares and a smaller amount of convertible, so that their holdings will be diluted from the first conversion date (1985) onwards.

Laing has an unusually high exposure to the U.S. for a straightforward UK property company, and the rights money gives it the flexibility to hold on to the whole of some developments which it might otherwise have had to share with institutions. But the further reduction in capital gearing may not be what every investor in the sector wants to see.

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